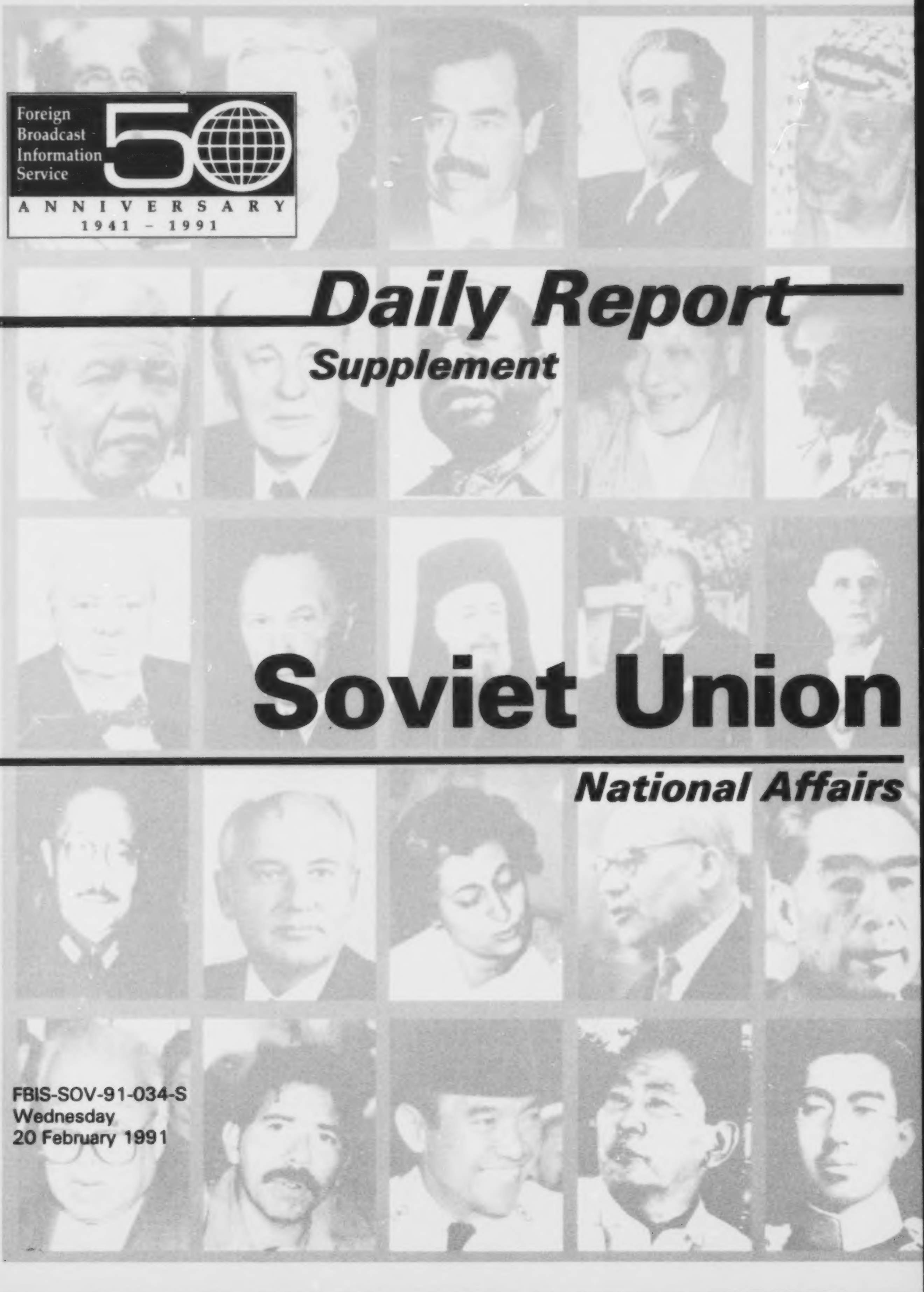

Foreign
Broadcast
Information
Service
50
ANNIVERSARY
1941 - 1991

Daily Report
Supplement

Soviet Union

National Affairs

FBIS-SOV-91-034-S
Wednesday
20 February 1991

Soviet Union
SUPPLEMENT
National Affairs

FBIS-SOV-91-034-S CONTENTS *20 February 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NATIONAL AFFAIRS

Political & Social

Future Referendum on Union Status Viewed *[SELSKAYA ZHIZN 13 Feb]* 1
Republic Leaders Comment on Referendum, Treaty *[LITERATURNAYA GAZETA No 2]* 4
Union Referendum Wording Questioned *[KOMSOMOLSKAYA PRAVDA 17 Jan]* 6
Commission Discusses Referendum Procedures *[PRAVDA 31 Jan]* 6
17 March Referendum Procedures Explained *[PRAVDA 31 JAN]* 7
New Constitution Favored Over Union Treaty *[PRAVDA 16 Jan]* 8
Excerpts of Ligachev Memoirs Published 10
    First Installment *[ARGUMENTY I FAKTY No 3]* 10
    Second Installment *[ARGUMENTY I FAKTY No 4]* 14
    Third Installment *[ARGUMENTY I FAKTY No 5]* 17
    Final Installment *[ARGUMENTY I FAKTY No 6]* 21
    Commentary on Memoirs *[ARGUMENTY I FAKTY No 6]* 22
CPSU Commission Urges Priority for Science *[PRAVDA 11 Feb]* 23
CPSU Commission Discusses Women's Issues *[PRAVDA 1 Feb]* 23
CPSU Sociopolitical Panel Meeting Reported *[PRAVDA 31 Jan]* 23
    Kuptsov Meets Social Scientists *[PRAVDA 6 Feb]* 24
CPSU Press Center Statement Protests Attacks *[RABOCHAYA TRIBUNA 12 Feb]* 24
PRAVDA on Regional Secretaries' Conference *[31 Jan]* 25
CPSU Plan To Reappraise Yakovlev Report Denied *[PRAVDA 19 Jan]* 26
CPSU Officials Address Cadres' Study Course *[PRAVDA 16 Jan]* 26
Reaction to CPSU Draft on Dues Discussed *[PRAVDA 8 Jan]* 27
Party Official on New Political Parties *[RABOCHAYA TRIBUNA 8 Jan]* 28
Economic Crime Chief Denies Corruption Charge *[IZVESTIYA 8 Feb]* 31
International Fund Established To Combat Crime *[TASS]* 31
MVD Chief Interviewed on Decree Against Crime *[Moscow Radio]* 32
Former KGB Major General Interviewed *[Sao Paulo FOLHA DE SAO PAULO 12 Feb]* 33
Popov Assailed for Seeking 'Dictatorship' *[PRAVDA 13 Feb]* 35
Secretariat Member Views Truth, Communist Role *[PRAVDA 29 Jan]* 38
Officials Comment on Decree on Moscow *[IZVESTIYA 28 Jan]* 41
Volkogonov on Gorbachev's 'Drift to the Right' *[MOSCOW NEWS No 3]* 43
Participants in Federation Council Session *[IZVESTIYA 2 Feb]* 44
Constitutional Oversight Said 'Inadequate' *[IZVESTIYA 28 Jan]* 44
Justice Official on Party Registration Process *[Moscow Radio]* 45
Commentary Views Yeltsin, Kuril Islands *[Moscow TV]* 46
Pavlov Sends Thanks for Congratulations *[IZVESTIYA 1 Feb]* 46
Would-Be Spy Kutsenko's Case Reviewed *[KRASNAYA ZVEZDA 5 Feb]* 47
Soyuz Leaders Dissatisfied With Congress *[TASS]* 47
Positive Aspects of Authoritarianism Noted *[RABOCHAYA TRIBUNA 31 Jan]* 48
Legal Observer Sees End of Rule-of-Law State *[KOMSOMOLSKAYA PRAVDA 31 Jan]* 49
'Vzglyad' Journalists Start Court Proceedings *[IZVESTIYA 2 Feb]* 51
    Sue Over Pay, Morale *[TRUD 12 Feb]* 51
Interview With 'VID' Announcer Kirillov *[Moscow TV]* 51
Readers Criticize 'Vzglyad,' Leningrad TV *[SELSKAYA ZHIZN 2 Feb]* 52
Kravchenko Interview, 'Vzglyad' Future Eyed *[PRAVDA 1 Feb]* 53
Journalists Protest 'Political Censorship' *[KOMSOMOLSKAYA PRAVDA 18 Jan]* 54
Pozner Interviewed on TV Programming *[Moscow TV]* 54

- Journalists' Union Holds Congress in Moscow ... 57
  - TASS Reports on Opening Day ... 57
  - Discuss Problems *[TASS]* ... 57
  - Lukyanov Addresses Congress *[TASS]* ... 57
  - Kravchenko Interviewed *[Moscow TV]* ... 58
  - New Chief To Fight 'Censorship' *[Moscow TV]* ... 58
  - Congress Concludes *[TASS]* ... 59
  - PRAVDA on Congress End *[PRAVDA 8 Feb]* ... 59
- 'Radio Rossii' Accused of Biased Reporting *[PRAVDA 29 Jan]* ... 59
- Official Cited on Newspaper Deliveries *[PRAVDA 30 Jan]* ... 60
- Press Committee's Nenashev Interviewed *[IZVESTIYA 1 Feb]* ... 61
- Concern Expressed Over Press Law, Censorship ... 63
  - Press Law Suspension Viewed *[MOSCOW NEWS No 4]* ... 63
  - Academician on Prospect *[MOSCOW NEWS No 4]* ... 64
  - 'Restoration of Censorship' Feared *[KOMSOMOLSKAYA PRAVDA 18 Jan]* ... 64
  - Draft 'Editorial Code' Rejected *[KOMSOMOLSKAYA PRAVDA 19 Jan]* ... 65
  - Belorussian Journals Raided *[LITURATURNAYA GAZETA No 2]* ... 65
- RSFSR Writers Move Against Journals, Editors *[LITERATURNAYA ROSSIYA No 52]* ... 66
  - Demand Press Law Review *[LITERATURNAYA ROSSIYA No 52]* ... 66
- Reports Highlight Publishing of New Papers ... 66
  - Writers' Union Paper *[MOSCOW NEWS No 5]* ... 66
  - RSFSR Paper Editor on Goals *[ARGUMENTY I FAKTY No 5]* ... 67
  - GOLOS Editor Describes Goals *[No 1]* ... 68
  - Social, Ecological Paper *[Moscow Radio]* ... 69
  - Independent Paper Presented *[Moscow TV]* ... 69
  - Interpol Magazine Registered *[Moscow Radio]* ... 69
  - KONTINENT Weekly Published *[IZVESTIYA 17 Jan]* ... 69
  - Consumer Newspaper Appears *[TASS]* ... 69
- Politizdat Republishes Trotskiy Book on Arts *[IZVESTIYA 8 Feb]* ... 70
- Prosecutor Turns Down Gdlyan, Ivanov Demands *[IZVESTIYA 2 Feb]* ... 70
- Supreme Court Chairman on Changing Role *[PRAVDA 25 Jan]* ... 71
- Political Authority Primacy Over Military Argued *[KOMSOMOLSKAYA PRAVDA 29 Jan]* ... 73
- Proposal to Institute Militia 'Code of Honor' *[IZVESTIYA 29 Jan]* ... 74
- Moscow State University Granted Autonomy *[IZVESTIYA 24 Jan]* ... 74
- Soviet Peace Movement Holds 12th Conference ... 75
  - Views Internal Strife *[PRAVDA 25 Jan]* ... 75
  - Peace Conference Concludes *[IZVESTIYA 28 Jan]* ... 75
- Agrarian Workers Union Plenum Ends 'in Uproar' *[IZVESTIYA 15 Jan]* ... 75
- Anti-Zionist Views Zionist, Jewish Groups *[SOVETSKAYA ROSSIYA 17 Jan]* ... 76

Economic

- Reportage on Ekho-UK Firm Currency Deal ... 78
  - Gosbank, Finance Ministry on Deal *[KRASNAYA ZVEZDA 26 Jan]* ... 78
  - RSFSR Official Discusses Deal *[VECHERNYAYA MOSKVA 28 Jan]* ... 80
  - Link Between Soldiers Fund, Ekho Denied *[IZVESTIYA 28 Jan]* ... 82
  - Filshin Interviewed on Role *[TRUD 29 Jan]* ... 82
  - Paper Raises Questions on Deal *[SOVETSKAYA ROSSIYA 29 Jan]* ... 84
  - Paper Comments on Deal Reporting *[SOVETSKAYA ROSSIYA 30 Jan]* ... 87
  - Paper Raises More Questions *[IZVESTIYA 30 Jan]* ... 89
  - Financial Aspects Considered *[RABOCHAYA TRIBUNA 1 Feb]* ... 91
  - Filshin 'Obfuscates' Remarks *[SOVETSKAYA ROSSIYA 2 Feb]* ... 92
  - Commission Head on Inquiry *[SOVETSKAYA ROSSIYA 6 Feb]* ... 94
  - IZVESTIYA Publishes More Details *[8 Feb]* ... 97
  - Foreign Parallels Reported *[PRAVDA 9 Feb]* ... 99
- British Press Cited *[TRUD 13 Feb]* ... 101
  - Banker Cited on Deal *[PRAVDA 14 Feb]* ... 101
- TU Official Shcherbakov on Government Accord *[TASS]* ... 102
- Meat Shortages Blamed on Pricing *[IZVESTIYA 23 Jan]* ... 103
- Currency Decree Seen as Blow Against 'Mafia' *[PRAVDA 26 Jan]* ... 105
- Hard Currency Rules Curb Traffic Into Poland *[PRAVDA 15 Jan]* ... 105
- Article Calls Shatalin 'Lumpen Academician' *[SOVETSKAYA ROSSIYA 30 Jan]* ... 106

Political & Social

Future Referendum on Union Status Viewed

91UN0905A Moscow SELSKAYA ZHIZN in Russian 13 Feb 91 p 2

[Interview with Professor G.V. Atamanchuk by O. Akulova: "We Are Voting on Whether There Will Be a Union"]

[Text]**A nationwide referendum will be held in the country for the first time on 17 March. What caused the need for it? A question of extraordinary importance—whether our Union should be or not be. On the essentially simple choice of "yes" or "no" depends the fate of the country, the republic, and each person individually. Even given complete confidence in the authorities, this matter would have to be decided in truly nationwide fashion. However, even now the attitude toward the referendum is ambivalent. The supreme authorities of certain republics are opposed to the referendum. There are fears that the participation of all citizens of the Union in this most important undertaking will not be guaranteed.**

Lack of experience and practice is reflected also. Judging by readers' letters, there is no precise and clear idea of what the referendum will do and of what will follow it. This is the subject of our correspondent's interview with Professor G.V. Atamanchuk, doctor of legal sciences and deputy chief of the USSR Supreme Soviet Secretariat Interethnic Relations Department.

[Akulova] Grigoriy Vasilyevich, 17 March does not promise to be an easy day, perhaps?

[Atamanchuk] Let us desist from forecasts. The very idea of a referendum did not come out of nowhere. Variant readings emerged and many approaches, sometimes mutually contradictory, were revealed in the process of preparation and discussion of the Union treaty. Disagreements emerged between different republics, public movements, and political forces. And inasmuch as the problem of preservation of the Union affects the interests of all peoples, not this state structure or the other that has taken shape in the republics, it is up to the people to decide this problem.

[Akulova] But the referendum will not do away with the current contradictions.

[Atamanchuk] This is not its purpose. But just look at the situation that has arisen. A whole number of representative organs of state power of the republics has advocated independence and detachment from the USSR. However, even in the republic supreme soviets themselves these decisions are being perceived ambivalently. A quite serious opposition has emerged not only among the population speaking a foreign language but among the indigenous population also. Why? Because the actions that are being undertaken in the republics are of not so much a national-political as a social and class nature. It is increasingly noisily becoming a question of a change in the social and political arrangement. And this requires an appeal to the consciousness and interests of the citizens themselves.

[Akulova] Is there not an aspect of risk here, and can it be guaranteed that under the conditions of a very unstable economic and political situation the vote will shape up in favor of preservation of the Union?

[Atamanchuk] Of course, an appeal directly to the people on the issue of whether the Union will be or not be is a responsible action, but to some extent dangerous also. Referenda are generally seldom seen in world practice. Because they determine strict conditions: A question is posed, and an unequivocal answer is required. This is not how things are in real life—without alternatives and intermediate decisions, when it is possible on some aspect to say "yes," on another, "no." Any compromise is precluded in a referendum.

I believe that only a profound faith in one's people and the fact that people will get their bearings correctly in what is happening, evaluate everything intelligently and recognize the entire burden of responsibility leads to such a decision, which will be truly fateful. At the very least we have lived together for several centuries. There has been love and hatred, good and evil, friendship and enmity. Nonetheless, a community, which has survived in difficult struggle and created our large state, has taken shape.

[Akulova] It is said that today this state is an empire, which controls everything....

[Atamanchuk] To adhere to the logic that there are colonies, there should also be a metropolis, which gets rich from exploitation of the colonies. Could you kindly tell me where it is? In the classical form an empire presupposes a center that concentrates all resources of the colony and flourishes on account of this and resolves its ambitious problems. But if we look at our country, it is the outlying areas—the Baltic, the Transcaucasus, Central Asia even—which are the most successful economically, while the central regions have, unfortunately, proved the most destitute.

Of course, an answer may be found also: There has been a totalitarian-bureaucratic system and there has been a center that has administered irrationally. But, note, the country as a whole. And, then, who has been in this center? Representatives of all the republics. And this center has had an equal effect on all peoples, all republics.

There is a general rule that is that it is impossible to go forward while looking back. This is uncomfortable and dangerous: One could end up in the wrong place and, sometimes, bruise oneself. I would like to recall this rule because the emphasis is being put in our day at the time of the examination of almost any question of allied relations and the organization and activity of the USSR on the past, and in the past itself only that which is bad is showing up.

[Akulova] Am I to understand you as saying that we have reached the idea of a referendum after all other arguments and political approaches have been exhausted?

[Atamanchuk] No. The point is that a referendum should be seen as one undertaking and action in the complex process of the reforming of allied relations. There has been much debate on this subject also, and attempts to make an absolute of some one direction are clearly to be seen. Everyone believes that it is he who has the key. The active conclusion of treaties between individual republics is under way currently—direct horizontal relations are being established. This also is a form of creation of the Union. But in establishing horizontal relations we inevitably arrive at the need for the creation of an entire system of agreements with hundreds and thousands of subjects. A coordinating, unifying center and new organizational structures are needed, like it or not. So why raze everything to its foundations? And repeat what has already been done?

The reforming, as also the renewal, of our Union is a complex, lengthy and, perhaps, infinite business requiring intelligence, knowledge, patience, willpower, and work. However great the attention paid to the Union treaty, it should obviously be understood that it will be at best the first—corner—stone in the sum total of legal documents by means of which we may step by step transfer relations between our peoples to a qualitatively new level.

[Akulova] But for this it is necessary to achieve harmony in the signing of the Union treaty. But what arguments are being advanced by the republics that are refusing to conduct a referendum?

[Atamanchuk] It seems to me that there are no serious arguments in any national movement. If these forces reflect the interests and wishes of their peoples, there is no reason for them to fear a referendum. In the process they would only obtain the support of their people and have the complete right to speak in their name. What might their rejection of a referendum signify? Only a fear of their own people! The fact that they could express themselves differently from the authorities.

[Akulova] But what if this is the case and some republics refuse to conduct a referendum?

[Atamanchuk] I believe that we need to be prepared for all such actions and their results. Nonetheless, the results of the referendum and the future decisions should not be predetermined or dramatized. A refusal to conduct a referendum would mean that the corresponding authorities in the republics were adopting a manifest policy of a severance of relations with the other republics and the Union. But contradictions in both their behavior and their positions would arise here. Everyone generally is unreservedly in favor of the preservation of economic relations with one another, cultural exchange, and scientific relations. This is understandable—a distinctive location of the productive forces, research centers, integral systems, supply lines, information, communications, and so forth has taken shape in the country that cannot be severed. But a paradox then arises: The republics are advocating cooperation in all spheres of social life except one—political. This is objectively impossible! If we want to preserve the relations that have taken shape in all other spheres, the political sphere also presupposes its forms of relations.

The fact that the authorities of certain republics are not agreeing to a referendum is to a considerable extent infringing the rights of their peoples. A referendum act has been passed for the first time in our constitutional practice. And right away some citizens are deprived of the possibility of participating in it! We began perestroyka under the banner of freedom and democracy, but now, it transpires, we are preventing people from freely expressing their wishes.

[Akulova] Nonetheless, what will follow if this happens or we obtain a negative result?

[Atamanchuk] We will here run into the correlation of two legislative instruments—the Referendum Act and Procedure of the Solution of Questions Connected With the Secession of a Union Republic from the USSR Act. According to the first, for a negative decision in respect to the question posed it is sufficient that slightly more than 50 percent of those who participated in the ballot, which could constitute little more than 25 percent of the total electorate, be "against." But this is not a decision on secession for the purposes of the referendum and the content of the question predetermine the thrust of the thinking and, correspondingly, the choice of answer. The second act, which would lead to profound changes in the life of a people and their relations to the other peoples, requires that no less than two-thirds of the USSR citizens permanently resident on the territory of a republic at the time of formulation of the question of its secession from the USSR and eligible to vote in accordance with legislation of the USSR vote for a decision on the Union republic's secession from the USSR. So these are different laws deciding different problems, and they should not be confused.

Why does the law on the procedure of the solution of questions connected with secession from the USSR stipulate a necessary majority—two-thirds of the citizens registered to vote? This is connected with the fact that if the question of secession is really posed, all subsequent questions—of citizenship, place of residence, relocation of labor resources and production capacity and so forth—will really be decided also. Very many problems would arise. Take a simple example—divorce in the family. How much follows it? Exchange of money, departure, sharing of property, and so forth. But here things are somewhat more complicated.

[Akulova] I would like to get clear: If the referendum does not produce an affirmative result, this will not mean a republic's automatic secession from the Union?

[Atamanchuk] No. The question put to a referendum is: "Do you believe necessary the preservation of the Union of Soviet Socialist Republics as a renewed federation of equal sovereign republics in which the rights and liberties of the individual of any nationality are fully guaranteed?" It has to be answered "yes" or "no." That is, it is necessary to obligatorily express one's attitude toward the question and delete the unnecessary word, not simply place the voting paper in the box, otherwise it will be deemed invalid.

Support for the Union continuing ("yes") still does not mean that today's Union will be preserved. The work of all Union and autonomous formations and all political forces on the formulation of an entirely new union—a democratic, humanitarian union, the basis of which are the sovereign rights of each subject of the federation and the rights and liberties of each individual—must be stepped up on the basis of an affirmative answer to this question.

I believe that the problem of an assurance of the rights and liberties of the individual of any nationality throughout the territory of the country, regardless of nationality, is pertinent for everyone. Each citizen of the USSR should unfailingly have his say thereon.

[Akulova] And the final question, Grigoriy Vasilyevich. Let us recall for what we are voting and what lies behind this bare "yes" or "no."

[Atamanchuk] Mainly for the values that should be preserved and passed on to posterity. Unity, peace, friendship, mutual assistance of the peoples—this is the great property that is worth fighting for. In firm union all peoples are strong, but in confrontation they merely exhaust their resources and lose their creative power. In making our choice we need to remember this.

[Akulova] Thank you for the interview!

[Atamanchuk] No. The point is that a referendum should be seen as one undertaking and action in the complex process of the reforming of allied relations. There has been much debate on this subject also, and attempts to make an absolute of some one direction are clearly to be seen. Everyone believes that it is he who has the key. The active conclusion of treaties between individual republics is under way currently—direct horizontal relations are being established. This also is a form of creation of the Union. But in establishing horizontal relations we inevitably arrive at the need for the creation of an entire system of agreements with hundreds and thousands of subjects. A coordinating, unifying center and new organizational structures are needed, like it or not. So why raze everything to its foundations? And repeat what has already been done?

The reforming, as also the renewal, of our Union is a complex, lengthy and, perhaps, infinite business requiring intelligence, knowledge, patience, willpower, and work. However great the attention paid to the Union treaty, it should obviously be understood that it will be at best the first—corner—stone in the sum total of legal documents by means of which we may step by step transfer relations between our peoples to a qualitatively new level.

[Akulova] But for this it is necessary to achieve harmony in the signing of the Union treaty. But what arguments are being advanced by the republics that are refusing to conduct a referendum?

[Atamanchuk] It seems to me that there are no serious arguments in any national movement. If these forces reflect the interests and wishes of their peoples, there is no reason for them to fear a referendum. In the process they would only obtain the support of their people and have the complete right to speak in their name. What might their rejection of a referendum signify? Only a fear of their own people! The fact that they could express themselves differently from the authorities.

[Akulova] But what if this is the case and some republics refuse to conduct a referendum?

[Atamanchuk] I believe that we need to be prepared for all such actions and their results. Nonetheless, the results of the referendum and the future decisions should not be predetermined or dramatized. A refusal to conduct a referendum would mean that the corresponding authorities in the republics were adopting a manifest policy of a severance of relations with the other republics and the Union. But contradictions in both their behavior and their positions would arise here. Everyone generally is unreservedly in favor of the preservation of economic relations with one another, cultural exchange, and scientific relations. This is understandable—a distinctive location of the productive forces, research centers, integral systems, supply lines, information, communications, and so forth has taken shape in the country that cannot be severed. But a paradox then arises: The republics are advocating cooperation in all spheres of social life except one—political. This is objectively impossible! If we want to preserve the relations that have taken shape in all other spheres, the political sphere also presupposes its forms of relations.

The fact that the authorities of certain republics are not agreeing to a referendum is to a considerable extent infringing the rights of their peoples. A referendum act has been passed for the first time in our constitutional practice. And right away some citizens are deprived of the possibility of participating in it! We began perestroyka under the banner of freedom and democracy, but now, it transpires, we are preventing people from freely expressing their wishes.

[Akulova] Nonetheless, what will follow if this happens or we obtain a negative result?

[Atamanchuk] We will here run into the correlation of two legislative instruments—the Referendum Act and Procedure of the Solution of Questions Connected With the Secession of a Union Republic from the USSR Act. According to the first, for a negative decision in respect to the question posed it is sufficient that slightly more than 50 percent of those who participated in the ballot, which could constitute little more than 25 percent of the total electorate, be "against." But this is not a decision on secession for the purposes of the referendum and the content of the question predetermine the thrust of the thinking and, correspondingly, the choice of answer. The second act, which would lead to profound changes in the life of a people and their relations to the other peoples, requires that no less than two-thirds of the USSR citizens permanently resident on the territory of a republic at the time of formulation of the question of its secession from the USSR and eligible to vote in accordance with legislation of the USSR vote for a decision on the Union republic's secession from the USSR. So these are different laws deciding different problems, and they should not be confused.

Why does the law on the procedure of the solution of questions connected with secession from the USSR stipulate a necessary majority—two-thirds of the citizens registered to vote? This is connected with the fact that if the question of secession is really posed, all subsequent questions—of citizenship, place of residence, relocation of labor resources and production capacity and so forth—will really be decided also. Very many problems would arise. Take a simple example—divorce in the family. How much follows it? Exchange of money, departure, sharing of property, and so forth. But here things are somewhat more complicated.

[Akulova] I would like to get clear: If the referendum does not produce an affirmative result, this will not mean a republic's automatic secession from the Union?

[Atamanchuk] No. The question put to a referendum is: "Do you believe necessary the preservation of the Union of Soviet Socialist Republics as a renewed federation of equal sovereign republics in which the rights and liberties of the individual of any nationality are fully guaranteed?" It has to be answered "yes" or "no." That is, it is necessary to obligatorily express one's attitude toward the question and delete the unnecessary word, not simply place the voting paper in the box, otherwise it will be deemed invalid.

Support for the Union continuing ("yes") still does not mean that today's Union will be preserved. The work of all Union and autonomous formations and all political forces on the formulation of an entirely new union—a democratic, humanitarian union, the basis of which are the sovereign rights of each subject of the federation and the rights and liberties of each individual—must be stepped up on the basis of an affirmative answer to this question.

I believe that the problem of an assurance of the rights and liberties of the individual of any nationality throughout the territory of the country, regardless of nationality, is pertinent for everyone. Each citizen of the USSR should unfailingly have his say thereon.

[Akulova] And the final question, Grigoriy Vasilyevich. Let us recall for what we are voting and what lies behind this bare "yes" or "no."

[Atamanchuk] Mainly for the values that should be preserved and passed on to posterity. Unity, peace, friendship, mutual assistance of the peoples—this is the great property that is worth fighting for. In firm union all peoples are strong, but in confrontation they merely exhaust their resources and lose their creative power. In making our choice we need to remember this.

[Akulova] Thank you for the interview!

Republic Leaders Comment on Referendum, Treaty

91UN0722A Moscow LITERATURNAYA GAZETA in Russian No 2, 16 Jan 91 p 3

[Roundup of opinions: "Are We Voting in a Hurry?" subtitled "Referendum on a Referendum or What the Heads of the Republics Think About the Union Treaty"]

[Text]

B. Yeltsin, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet:

By their actions in the Baltic the central authorities have struck a serious blow at the practicality of the conclusion of a Union treaty inasmuch as there will be hardly anyone who will sign a treaty with a "rope around his neck." The desire to present us from the top with a treaty approved by the CPSU Central Committee Plenum and the Congress of People's Deputies of the USSR shows through once again. But who is negotiating with whom? It is those who are negotiating who should be working on the treaty and discussing it and then signing it. But the whole process is moving not from the bottom up but from the top down. We, however, propose that the republics first conclude a treaty among themselves, as we have already done with Kazakhstan, Belorussia, the Ukraine, Estonia, and Latvia. All 15 republics could be drawn in in this way. But the actions of the center have essentially repelled five union republics. And we in the Russian Supreme Soviet are wondering whether we need a union where wishes from the top would be dictated to us at any moment, without regard for the wishes of the republics.

N. Nazarbayev, president of Kazakhstan:

There is no need holding a referendum in Kazakhstan—people of Kazakhstan support the Union. This is the position of our Supreme Soviet and the entire people of the republic expressed in the Declaration of State Sovereignty of the Kazakh SSR [Soviet Socialist Republic].

A. Mutalibov, president of Azerbaijan:

Of course, I am for a referendum—there is no other way of deciding so fateful a question. And I count here on the good sense and understanding of our people.

However, the final decision on the question of a referendum is the prerogative of the republics themselves. When the new Azerbaijani parliament assembles, therefore, we will bring up this matter for its consideration, I believe.

L. Ter-Petrosyan, chairman of the Armenian Supreme Soviet:

I consider a referendum the sole civilized and, I would say, necessary method for the people's declaration of their pleasure. All fateful problems should be decided by this democratic instrument, and we need to avail ourselves of the accomplishment not only of political but also economic, social, and ecological tasks.

A. Akayev, president of Kirghizstan:

Our position is clear. It is expressed with the utmost clarity in the declaration. We need the Union. We support it. This is the opinion of the people.

There is no point conducting a referendum: This would be too costly an undertaking.

A. Moshanu, chairman of the Soviet Socialist Republic of Moldova Supreme Soviet:

I believe that the conditions with us are not ripe for holding a referendum on a new Union treaty, inasmuch as we do not yet know what its essence is and, consequently, what the people's attitude toward this document is. We are to discuss the matter at the next session of the republic Supreme Soviet, and it alone has the right to adopt the final decision.

S. Shushkevich, first deputy chairman of the Belorussian SSR Supreme Soviet:

My attitude toward a referendum on the Union is neutral. To be honest, it is unnecessary. It is not hard to forecast what the result of a referendum would be. Russia and Belorussia, for example, would say "yes" to a Union of SSR, the Baltic republics, "no." But the people could in both cases be making a historic mistake. It is as yet unclear what kind of union we all wish to create. Following a hasty referendum the issue could only become more complicated.

There is no law in the Belorussian SSR on a referendum as yet, and it is therefore premature to speak about some speedy organization of such. This question will, evidently, necessarily arise at the next republic Supreme Soviet session.

A. Ryuytel, chairman of the Republic of Estonia Supreme Soviet:[subhead]

We welcome all democratic changes in the USSR and, if the conclusion of a new Union treaty entails the further democratization of the Soviet state, we are prepared to welcome this treaty also. But we cannot sign it because the people of Estonia have expressed their wish for the restoration of the state independence of which we were deprived in 1940 by no means in accordance with our wishes. Before a proposal to us that we conclude a Union treaty, it is necessary to restore an independent Estonia, since such a treaty may be concluded only by sovereign states.

S. Niyazov, president of the Turkmen SSR:[subhead]

It is undoubtedly necessary to hold public referenda on major social and political issues. For Turkmenistan whether to join a renewed federation is not, as far as I know, an issue. No less than 90 percent of inhabitants of the republic are for joining.

However, there is such a complex situation in the country at the moment and there are so many difficulties in the economy and in the observance of legality that the attitude toward a referendum could be passive or biased. We should be in no hurry, I believe. We need to prepare thoroughly, resolve the food problem, sort out prices and contentious issues and only then hold a referendum.

K. Makhkamov, president of the Tajik SSR:

Our position on the conclusion of a Union treaty is positive inasmuch as it would be very difficult for us to exist apart.

As the republic Supreme Soviet session, speeches in the press and on radio and television of the inhabitants of Tajikistan, and people's deputies' direct contacts with various strata of the population have shown, an absolute majority of citizens of the republic cannot imagine itself outside of the Union of SSR. And it is for this reason that in Tajikistan we consider a referendum inexpedient.

L. Kravchuk, chairman of the Ukrainian Supreme Soviet:

Such a referendum will necessarily be held in the republic, the more so in that this matter was raised with us before it was raised at the Union level.

However, there is a serious problem here that needs to be resolved before the holding of a referendum. It is a question of the fact that we are dissatisfied by the concept of a Union treaty, particularly in respect to the sovereignty of the republics, and also the division of authority between the republics and the center.

We advocate, as is known, a union of sovereign states, the based on the fundamental interests of the republics. Therefore, before holding a referendum we need to devise a precise mechanism for the submittal and consideration of all amendments and revisions to the published draft treaty so that each individual participating in the referendum may know for what kind of union he is voting.

Z. Gamsakhurdia, chairman of the Georgian Supreme Soviet:

Georgia has de jure always been independent and remains independent to this day, de facto, that is; the actual restoration of independence, is what we are struggling for and our national movement will continue to struggle, is another matter. Restoration of actual independence is our goal, the actual restoration of our independence, lost as a result of annexation. So there is no need for any repeat declaration of such independence.

A. Krastinsh, deputy chairman of the Republic of Latvia Supreme Soviet:

Laws of the USSR have no force on the territory of the Republic of Latvia. Questions on the domestic policy of the USSR are not within the jurisdiction of the Republic of Latvia Supreme Soviet.

Union Referendum Wording Questioned

PM1701132791 Moscow KOMSOMOLSKAYA PRAVDA in Russian 17 Jan 91 p 1

[I. Sichka report: "Interesting Question, Of Course"]

[Text] The USSR Supreme Soviet adopted a resolution yesterday on holding an all-Union referendum 17 March. The secret ballot paper will bear the question: "Do you consider it necessary to preserve the Union of Soviet Socialist Republics as a renewed federation of equal sovereign republics where the rights and freedoms of a person of any nationality will be fully guaranteed." The answer options are "yes" or "no." The results of the referendum will be determined for the Union as a whole and for each union republic and autonomous entity individually. By law a decision adopted by referendum can have binding force throughout the territory of the USSR and can only be abrogated after another referendum.

This decision has long been expected. So what's the problem here? First, people will have to give one answer to at least three questions: their attitude to republic sovereignty, to a federation or confederation, and to the guaranteeing of human rights and freedoms. It is, after all, not impossible that someone may be "for" sovereignty, but within the framework of a confederation, or "for" a federation but "against" republic sovereignty, etc. That is, in my view, the question for referendum has not been formulated quite correctly.

Second, no one has as yet even given an intelligible explanation as to what is meant by the term "federation of equal sovereign republics." A very broad interpretation is possible here. So what exactly are we to vote for?

And then, third, the referendum question duplicates one of the key provisions of the draft Union treaty, that still has to be discussed by the republics' official representatives. Consequently, the referendum results could tie their hands at the talks and place them in an unequal position vis-a-vis the central authorities.

What could the consequences be of the adopted decision on a referendum? Within the framework of agitation and propaganda work another mighty wave of mutual accusations and recriminations could wash between the center and the republics. A number of republics will probably see the referendum as an attempt to violate their sovereign rights and may simply boycott it. Last, the referendum results could very easily be nullified if different republics put to the vote alongside the main question their own different or exactly opposite questions. In that case it will always be possible to dispute the results of the union referendum by saying that the question was incorrectly worded.

What follows from this? I am certainly not casting doubt on the very idea of this referendum. I am sure, however, that complete clarity can only be achieved by wording the questions in a precise manner. They are vitally important for each one of us.

Commission Discusses Referendum Procedures

PM0702094191 Moscow IZVESTIYA in Russian 31 Jan 91 Union Edition p 1

[S. Chugayev article: "What Form Should the USSR Take? It Will Cost 118 Million Rubles to Find Out"]

[Text] The first sitting of the USSR Central Commission on the Referendum has approved the figure of 118 million rubles [R] as the estimated cost of holding the USSR referendum on the preservation of the USSR as a federation of equal republics. The sitting was held in Moscow on 29 January. R. Nishanov, chairman of the USSR Supreme Soviet Soviet of Nationalities, took part in the sitting.

In addition to approving the expenditure estimate, the participants in the sitting examined several other important documents. In particular, the referendum ballot paper was approved, a plan of basic measures for preparing and conducting a nationwide vote was adopted, and proposals on the structure and staffs of the USSR Central Commission on the Referendum were approved.

The sitting discussed draft letters by the USSR Central Commission on the Referendum to central, republic, and okrug commissions as well as precinct commissions. Essentially these documents are instructions on holding a nationwide vote. They are based on the USSR law adopted at the end of last year. The letters set out in detail the procedure for organizing and holding the referendum. Incidentally, it differs little from the procedure for holding elections of USSR People's Deputies.

Perhaps it is the existence of such a tried and tested model that was also the main reason that the first sitting of the USSR Central Commission on the Referendum went completely smoothly with no serious differences of opinion. A short debate occurred only during the discussion on issues about the forthcoming referendum: How are servicemen performing fixed-term service on the territory of the republics to take part in the referendum? Are their votes worth the same as those of the citizens of those republics?

The majority of the participants in the sitting supported the proposal of V. Orlov, chairman of the Central Commission, to rely on precedent. That is, on the model of people's deputies' elections. This means that the votes of fixed-term servicemen must be counted where they are serving. If a military unit is transferred on the eve of the referendum the votes of the soldiers and sergeants may be counted either in the new location or in the old location where the district electoral commission was formed. But if the referendum finds the soldiers on the move their votes must be counted where they were on voting day.

At the same time some commission members objected to R. Nishanov's proposal that the votes of fixed-term servicemen and those on assignment be counted separately when holding the referendum in the republics. Consequently the final decision on this question was adopted later after consultations with the republics' representatives.

It only remains to be added that the money for staging the referendum, R118 million let me remind you, will come from the Union budget.

17 March Referendum Procedures Explained

91UN0826B Moscow PRAVDA in Russian
31 Jan 91 Second Edition pp 1, 3

[Interview with Chairman of the Central Electoral Commission for the Elections of USSR People's Deputies V. Orlov by PRAVDA correspondent A. Chereshnev; place and date not given: "A Referendum: The Country Prepares To Make a Choice"]

[Text]*The Fourth Congress of USSR People's Deputies has adopted the Law on General Vote (USSR Referendum). The citizens of our country have been given an opportunity to make decisions directly on the most significant issues of the life of our state. At present, the main issue is what the Union is to be.*

Under the law, the powers of the Central Referendum Commission are exercised by the Central Electoral Commission for the Elections of USSR People's Deputies. Chairman of the Commission V. Orlov answered the questions of our correspondent.

[Chereshnev] Vladimir Pavlovich, what arrangements will be made for holding a referendum?

[Orlov] First of all, we should note that the referendum scheduled for 17 March is the first in the history of our state; therefore, this is a new endeavor for all of us.

Along with our commission, central republic and precinct commissions will prepare and conduct the referendum. In addition, district commissions may be formed in the republics. Their powers are outlined in the law in detail. I will only stress that decisions of the commissions—of course, those made within the confines of their authority—must be carried out by all state and public organizations, enterprises, establishments, organizations, officials, and citizens.

Voting will be held at precincts during the referendum. Ballots will be issued after passports or other forms of identification are produced. Also, everyone will have to sign in a special column for the first time when receiving a ballot.

When determining results, the USSR Central Referendum Commission will establish, on the basis of protocols submitted by the republics, the total number of citizens on the rolls of voters, the number of people who took part in the voting, the number of those responding "yes" and "no," as well as the number of votes found to be invalid. Of course, all of these data will be published in an official communique.

[Chereshnev] Who is placed on the rolls of voters as participants in the referendum?

[Orlov] Citizens of our country, the USSR, who are 18 years or older are placed on the rolls of individuals who have a right to participate in the referendum. Actually, the criterion for participation is the same as in the elections of USSR people's deputies. Soviet citizens residing abroad, including servicemen whose military units are stationed abroad, will be given an opportunity to vote at precincts set up at Soviet establishments.

[Chereshnev] Are there any restrictions on participating in the referendum?

[Orlov] There are restrictions, but they are minimal. Mentally ill citizens, those who were found to be legally incapacitated by the courts, people who have been sentenced by the courts to confinement in corrections facilities, as well as persons with regard to whom arrest has been selected as the measure to secure their appearance as defendants through procedures established by legislation on criminal procedure, do not take part in the referendum.

[Chereshnev] Is agitation in favor of or against the decision submitted to the referendum possible?

[Orlov] The state guarantees this right to citizens, political parties, mass movements, trade union organizations, other public associations, labor collectives, collectives of special secondary and higher educational establishments, and meetings of servicemen in military units.

Propositions submitted to the referendum should be discussed within the framework of legislative acts on procedures for holding meetings, rallies, street processions, and demonstrations. There is only one nuance: Agitation is not permitted on the day of voting in order to rule out pressure on those voting, including psychological pressure.

[Chereshnev] How does a ballot look?

[Orlov] The USSR Supreme Soviet resolved to put on the ballot the following wording of the question: "Do you consider it necessary to preserve the Union of Soviet Socialist Republics as a renewed federation of sovereign republics with equal rights, in which the rights and freedoms of people of all nationalities will be fully guaranteed." Versions of answers, "yes" and "no," will also be provided there.

[Chereshnev] Under what conditions is the decision submitted to a referendum considered adopted?

[Orlov] A precise answer to this question is found in Article 24 of the Law on the Referendum. It says that a decision is considered adopted if more than one-half of the citizens placed on the rolls took part in the voting, and as a result of the referendum, it was approved by more than one-half of the citizens who took part in the voting.

[Chereshnev] Are decisions adopted by means of the referendum binding in the entire territory of the USSR?

[Orlov] The USSR Supreme Soviet resolution On the Organization and Measures To Ensure Holding the USSR Referendum on the Issue of Preserving the Union of Soviet Socialist Republics says that decisions made by way of a referendum are final, binding in the entire territory of the country, and may be repealed or amended only by means of a new USSR referendum.

[Chereshnev] What if the Supreme Soviet of a republic or some other organ refuses to hold a USSR referendum in its territory?

New Constitution Favored Over Union Treaty

91UN0729A Moscow PRAVDA in Russian 16 Jan 91 Second Edition p 3

[Article by Yu. Kalmykov, chairman of the USSR Supreme Soviet Committee for Legislation: "Only a Union Treaty?"]

[Text] A decree of the recent Fourth Congress of USSR People's Deputies attached particular significance to the conclusion of a Union treaty. It is seen as a most important factor in a normalization of the situation in the country and a factor in the consolidation of all society's progressive forces.

Soviet people are placing big hopes in it. They are tired of the interethnic discord and the "war of laws," the outright confrontation between the republics and the center, the constant shortage of goods and food, the numerous promises and hare-brained schemes, and the endless parliamentary debate and, at times, empty prattle. We are all doing the right thing, seemingly, but there are no positive results. Whence also the expectations of the signing of a Union treaty, that, many people believe, should bring calm, order, material sufficiency, and the spiritual regeneration of society.

Nonetheless, certain doubts as to the possibilities of this treaty remain. And not because it is in itself inappropriate for the solution of such problems but because there is a fact that simply cannot be overlooked. It is a question of the fact that several republics (four or five) have even now declared an unwillingness to sign a Union treaty. And this is the most serious danger on the road to it, for it would acquire universal regulatory significance only in the event it is signed by all subjects of the federation. Given some other approach, nothing would change.

We are told that, given this situation, the 10 republics that signed the treaty, say, would live in accordance with this new enactment, the rest, in accordance with old ones: the 1922 treaty and the 1977 USSR Constitution. But we would then once again not be achieving that which is most important—stabilization of the situation and the creation of uniform conditions for the solution of the numerous problems confronting society, the most important of them being the transition to market relations. Neither tension nor disquiet in society would disappear. Consequently, we need either a Union treaty signed by all the republics, or it will be necessary to seek another version of a solution of the problem. There is such. But about this later. First about the draft treaty itself. While supporting the concept of it, I would like to dwell on some of its weak points.

First, the treaty has been designed in such a way as to consist of individual, fragmentary declarations. A number of provisions are formulated in proposition fashion, and the essence of them is not disclosed, engendering numerous questions and doubts. For example, Article 18 says that "supervision of compliance with legislative instruments of the USSR is exercised by the Union procuracy headed by the USSR prosecutor general. Republic prosecutors are members of the USSR Procuracy College." But the main questions are not resolved here: By whom are the republic prosecutors to be appointed and how, and are collateral subordination and a hierarchy preserved in this system? There are many such vagaries in the draft, unfortunately.

If the wording of the present draft is compared with the 1922 Union Treaty, one notices immediately the comprehensiveness and fullness of exposition of the material in the latter. They left no room practically for vagaries and questions, differing interpretations, and controversial propositions.

Now all is more complex, and the main difficulty is that, as already observed, not all republics wish to live under a single roof. At the same time, however, many of them have declared an aspiration to remain within the framework of the Union, and it is very important that this Union be not a simple economic community but a common federal state. A federation, of course, implies diversity and is seen as a Union of sovereign states. But even in this rules of binding significance for all inhabitants of the state operate. Democritus even said: "The law wishes to organize people's life well. It can only do so if people themselves wish themselves well. For the law reveals its salutary effect only to those who are obedient to it."

I am not, of course, calling for blind obedience to any law. It is a question of the need for the formulation of decisions that suit all or the majority.

The second and, perhaps, most appreciable shortcoming of the draft Union treaty is the absence of a precise delineation between the authority of the Union and the republics. If all or a majority agree that it needs to be preserved, the main issue remains the question of how to delineate jurisdiction between sovereign states: the republics and the Union.

Certain legal scholars and people's deputies believe that if a republic has sovereignty, the Union should not have, and vice versa. Yet sovereignty defined as the condition of a state's independence has never been absolute anywhere. Its content is determined by the authority of the state: the greater it is, the more extensive and full-fledged the sovereignty. The same in a federal state: the republics and the Union are sovereign within the scope of their authority. Is this not why there is currently a kind of tug of war and struggle for the extension of the rights of the Union republics? The process is natural, it is a reaction to the long diktat of the administrative-command system and the infringement of the rights and interests of the Union republics.

But another extreme is now being exhibited, it would seem. Having declared the proposition concerning the supremacy of their own laws, the republics are essentially breaking up the Union. And how could it be otherwise? If a republic enshrines the rule that its enacted laws operate only its territory, is it not thereby putting itself outside the framework of the Union state?

Speaking of the subjects of the treaty, I mean both the former Union republics and those that have recently declared themselves such. We obviously need to abandon the "autonomous republic" category for, in accordance with the new legislation, all republics are now recognized as sovereign states with all the attributes inherent in them.

Formerly, Union, joint (Union-republic), and republic jurisdiction were distinguished. Such a classification was quite convenient as it made it possible to get one's bearings exactly in terms of who could lay claim to what. There is no such clarity in the draft Union treaty. One article of the draft—the fifth—is headed "Authority of the Union." It should only be a question of its authority here, it would seem. Yet a number of clauses speak of the joint exercise of jurisdiction with the republics in respect, for example, of management of the country's fuel and power system, railroad, air, sea, and arterial pipeline transportation, and defense enterprises.

A number of questions arise here. First, it is not understood how joint control (whatever this means) of such distinctive facilities would be exercised. And, second, why could they not, as before, be left in the charge of the Union? Centralized control of the enumerated systems has always produced and continues to produce the most efficient results. This is confirmed by world experience.

Also extremely unsuccessful, in my view, is the indication that "the establishment of the principles of legislation on issues coordinated with the republics" pertains to the jurisdiction of the Union. It is incomprehensible how such coordination would be accomplished, and would it have to encompass all republics? And why cannot the list of the fundamentals of legislation adopted by the Union, it being consolidated in the treaty itself, not be agreed right away? A single economic space presupposes also a single legal space. One set of rules of the game should operate under the conditions of market relations. This is why the fundamentals of civil legislation, labor legislation, and so forth are necessary. The same for the fight against crime. It should be uniform and identical on the territory of the whole country. Consequently, fundamentals of criminal legislation and criminal justice are needed. The detailed regulation of these and other relations could be undertaken by the republics at the code level.

The question of the mechanism of protection of the interests of both the republic and the Union is also connected with the problem of authority. Unfortunately, the draft treaty contains merely the most general indications on this score. The declarations on the sovereignty of the republics speak of the possibility of the application of certain measures (suspension of the law, for example) if the Union violates their sovereign rights. The formulation of such a question is perfectly natural and is in itself unexceptionable. But the "violation of a republic's sovereignty" concept is quite loose and could be interpreted from subjective standpoints. For this reason the draft treaty should have set forth some objective criteria of an evaluation of the Union's actions. The authority of the constitutional court when examining disputes between republics and the Union needs to be defined more thoroughly and specifically also.

It has already been mentioned that, given the affiliation to the Union treaty of all subjects of the federation, this version of a solution of the problem of the national-state arrangement of the country could prove the optimum. But if several republics refuse to sign the treaty, it would not solve the problems, and it would then be necessary to turn to another version, which seems to me preferable.

Its essence is simple: preparing a constitution of the USSR (there is already a draft of this instrument) and approving it by way of public ballot (referendum). When people speak of the advantages of the Union treaty, they usually proceed from the fact that it is both compiled and signed by the subjects of the federation themselves, that is, the process of national-state organization and development starts from below, as it were. This is true, but the same dual-phase method could be organized perfectly well on the principle of immediacy: The wording of the constitution is prepared with the participation of authorized representatives of all the republics and then officially approved at a referendum. The procedure is democratic in the highest degree and it precludes, what is more, the possibility of a subjective evaluation on the part of the ruling groups of the proposed model of national-state arrangement. The people retain the decisive say here.

I would note, incidentally, that literature on constitutional law and international practice altogether does not regard a treaty as a method of formation of a federation. It is the legal basis of a confederal arrangement. All existing federations are enshrined in constitutions, although many of them started out as a confederation and, consequently, had a treaty agreement as their basis.

And one further clarification: When people speak with reference to our Union about the possibility of the use of a confederal form, they forget that, given such a form, the associating states do not form a single state. Consequently, those who support such a version of a solution of the problem are knowingly aspiring to dismember the Union.

The actions of the republics declaring their allegiance to a federation, but engaging in acts characteristic of a confederation: creating their own and denying Union citizenship, rejecting the central authorities and structures, employing the right of nullification, that is, the cancellation or suspension of an instrument adopted by the center (we call this ratification), are also in fact headed toward the same result.

Our future is a Union of sovereign states where the sovereignty of the republics should be organically combined with the sovereignty of the Union. The process of renewal of the federation should strengthen the positions of our state as a strong world power and ensure the prosperity of the peoples of the country and a strengthening of all-around ties to other states. This noble goal makes it incumbent upon us to complete more quickly the process of the national-state arrangement of the USSR and to enshrine it in a new USSR Constitution. If it is, in addition, reinforced by public ballot (referendum), it may be considered that a start on the building of a state based on the rule of law has been made.

We live in difficult and contradictory times. Positions have been determined in the republics, in the main, and the majority supports a renewed federation. There are doubters also.

I believe that the problem will be solved if we are all guided by the fine words from the Universal Declaration of Human Rights, words of the nature of a commandment: "All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act toward one another in a spirit of brotherhood." In a spirit of brotherhood!

Excerpts of Ligachev Memoirs Published

First Installment

91UN0740A Moscow ARGUMENTY I FAKTY in Russian No 3, Jan 91 pp 5-6

[First installment of excerpts of memoirs by Ye. Ligachev, former CPSU Central Committee Politburo member and CPSU Central Committee secretary: "Ye. Ligachev. His Memoirs"]

[Text]*We are beginning to print excerpts from the memoirs of Ye. Ligachev, former CPSU Central Committee Politburo member and CPSU Central Committee secretary. In compliance with the terms specified by the author, we have not changed a single word in the manuscript. This, however, does not mean that the editors' views and those of the author are the same. ARGUMENTY I FAKTY follows the policy of publishing authors with different political views.*

IN THE KREMLIN AND ON STARAYA SQUARE

FOR DECADES the foreign press has written about "the Kremlin's secrets." They mean the decision-making process at the highest level of Soviet political leadership, the struggle between the supporters of different development trends, and the competition between the leading politicians claiming top leadership positions. In general, there is not, and cannot be, anything unusual in the fact that such secrets exist—the political leadership of every country has to protect its activities from the excessively curious press and from the special attention of foreign political intelligence. This is the result of a natural desire to protect national interests. For instance, we only learned about the dramatic events that took place in the White House during the Caribbean crisis many years later from the Kennedy family memoirs.

However, it is also natural that in every country the events that take place at the highest level of national leadership have their own peculiarities, that are rooted in historical, political, and national traditions. The latter help to understand how the new course is being charted, why zigzags may appear on a seemingly straight and clear way, and from where the danger of dead ends comes.

My book is generally completed. I have made several copies and have given them to my friends—for them to read and for me to bounce off once again my own judgments. I also decided to publish the beginning of one of the chapters relating events that took place in the Kremlin itself, since the highest political organ of the country—the CPSU Central Committee Politburo—holds its meetings in the Kremlin and also, of course, in the Central Committee building on Staraya Square. The readers should not, however, expect any sensational disclosures, juicy details, or disparaging characterizations of political figures of the kind observed in recently published "thematic confessions." My goal is different—to attempt to provide a serious political analysis undertaken on the basis of facts both new and already somewhat known to the reader.

LATE NIGHT CALL

IN APRIL 1983, after 17 years of work in Siberia—in Tomsk—I was transferred to Moscow and confirmed as head of the CPSU Central Committee Party Building and Cadre Work Department, or, in other words, the department of personnel and party committees. Actually, if we take into account the party-state administration system that existed in those years, we are really talking about personnel in the widest sense of the word, including soviet and administrative cadres.

At that time the general secretary of the CPSU Central Committee was Yuriy Vladimirovich Andropov. I had met him for the first time in February, and the April meeting, where I was confirmed in my new position, was only our second meeting. Yuriy Vladimirovich totally rejected the principle of cadre selection based on personal loyalty and previous work together—something that had been typical of his predecessor.

To verify this it is enough to list a few people who constituted Andropov's core team: Gorbachev from the North Caucasus, Ryzhkov from the Urals, Vorotnikov from Central Russia, Chebrikov from the Ukraine, and Ligachev from Siberia... This does not mean, of course, that Andropov chose his cadres at random. Neither was I picked by him accidentally when someone was needed to head one of the Central Committee's key departments.

There was, among the Politburo members of that time, a person who not only suggested my candidacy to Andropov, but also actively helped in my transfer to Moscow.

Events developed quickly and unexpectedly in those memorable—for me days—of April 1983. I arrived in the capital to participate in the conference on agriculture, personally chaired by Andropov. The people who gathered in the Kremlin's Sverdlovskiy Hall at that time included all Politburo members, Central Committee and party obkom [oblast committee] secretaries, and many of those related to agriculture—in short, the people who were involved in implementing the food program adopted a year before. The main report was presented by Gorbachev, who at that time was in charge of agriculture; his report was abrupt and pointed, and critical of both local leaders and the center.

I remember that although I sent a note to the meeting's presidium asking for the opportunity to speak, I did not have any particular hope in that respect. During the entire Brezhnev period, all those 17 years that I had worked as first secretary of the Tomsk Obkom, I never had an opportunity to speak at a Central Committee plenum. During the first years I diligently put my name on the list of those desiring to speak; but as time went by the hope that I would get the chance evaporated: It was clear that the same group of speakers had access to the podium all the time—presumably, those who knew well what to say and how to say it. I did not see any particular malice against myself personally in this kind of discrimination, since my predicament was shared by many, many obkom secretaries who had conscientiously carried their heavy burden for a long time. For instance, Manyakin, a most experienced, businesslike, and very smart man who had worked in Omsk for more than 20 years, only spoke at a Central Committee plenum once during that entire period.

However, with Andropov's arrival obkom secretaries immediately noticed that things were starting to change in the Central Committee. New hopes arose. This is what prompted me to send this note to the presidium at that conference on agriculture in the Kremlin's Sverdlovskiy Hall.

In less than an hour I was given the podium.

As always, I had the text of my speech prepared in advance—just in case. However, I barely glanced at it as I spoke, because I was talking about things gained through suffering: How, in a matter of seven or eight years Tomsk Oblast had moved from the food consumer category into one of a food producer. I spoke of the Western Siberia population that was growing because of the influx of oil and gas industry workers, while it was local agriculture that was supposed to provide for their needs. And, of course, I reminded the audience of the harsh climatic conditions in the northwestern part of Siberia, and of Narym—formerly the land of penal hard labor: It is said that God created paradise, but it was the devil who created Narym Kray. This reminder was not accidental on my part—ever since the memorable disagreement with Suslov I had nurtured the idea of a monument to the victims of Stalin's repressions.

This is, however, a topic for another chapter...

THE CONFERENCE at the Kremlin ended about 18:00, and I hurried to the Central Committee, to settle some specific Tomsk issues with Central Committee secretaries. I was received by Kirilenko and by Dolgikh. And I remember, as if it happened just yesterday, how, late in the evening, I finally got to see my son, he lived in Moscow, to say hello before I left for Tomsk again.

My flight was early in the morning. I already had the ticket, and decided to go to bed early, after all, Tomsk time was four hours ahead of Moscow, it was already middle of the night.

At 22:00, however, the phone rang. The call was for me.

I took the receiver not knowing, of course, that this late night telephone call would drastically change my entire life, and that similar unexpected late night calls, like the call of fate, would come in February 1984, on the day Andropov died, and in March 1985, on the day Chernenko died. In short, I took the receiver...

"Yegor, this is Mikhail... I need you to be in my office tomorrow morning."

I MET GORBACHEV at the beginning of the seventies, accidentally, when we both happened to be part of a delegation going to Czechoslovakia. From that time, whenever we met at CPSU Central Committee plenums, or during party congresses, when all obkom and kraykom [kray committee] secretaries gathered at the same time, we always visited as friends, and exchanged opinions on matters both specific and general. After Gorbachev became a Central Committee secretary, and especially after he became a Politburo member—and on agriculture, at that—I started stopping by his office often. Besides, as I already mentioned in my description of the work style of the higher political leadership under Brezhnev, at that time Gorbachev was the only Politburo member who could be found in his office until late evening. This was not the least important circumstance for an obkom secretary from Siberia who spent his time during his trips to Moscow running from one ministry to the other from morning to night, solving problems of developing the petrochemical and food industries, "squeezing out" allocations to create a base for a modern construction industry, for a science and culture center, and in general tending to a multitude of specific problems related to the life and everyday needs of Tomsk residents.

I had good reason to suspect that I got the opportunity to speak at the agrarian conference in the Kremlin precisely because of Gorbachev. So when this late telephone call came, I thought at first that Mikhail Sergeyevich wanted to share his thoughts in regard to my speech—according to those who came over to me after the meeting, the speech was timely and well received.

"Mikhail Sergeyevich, I already have a ticket, and I am leaving tomorrow morning," I said.

It just happened that for a long time Gorbachev had called me Yegor, but I always addressed him by his name and patronymic.

"You have to stay, Yegor," said Gorbachev calmly, and by the tone of his voice I understood that this call had nothing to do with the day's conference. "You will have to return the ticket."

"I understand. I will see you tomorrow in your office," I agreed without further debate, although I did not understand a thing.

I must say right away, though, that this kind of situation, when a return trip home had to be postponed and the ticket returned, was not rare for party obkom secretaries who came to the capital on business. In those years, I myself had to return my ticket and delay my return to Tomsk at least ten times, for quite prosaic reasons. A needed meeting with a minister or one of the top Gosplan [State Planning Commission] officials might be postponed, or, on the contrary, a previously unplanned meeting could become possible. There was a variety of unexpected business matters that could force an obkom secretary who had flown to the capital from a place 3,000 versts away, to extend his stay. It is better to stay another day than to have to fly there again.

In short, I slept well that night, without torturing myself with wild guesses, and next morning at 1000 hours precisely, I was in Gorbachev's office—first entrance, third floor, to the right.

Of course, I could have gone earlier, when it opened at 0900. But, I repeat, I was totally unaware of the true purpose of this invitation, while I knew from my own experience that each high level official starts his working day by reading operational reports and emergency messages, and rearranging his pre-planned daily schedule whenever unforeseen circumstances arise. Besides, it was Thursday, which meant that the Politburo meeting was scheduled for 1100. I took this into account, of course, since I knew that Politburo meetings were unfailingly held on time: always on Thursday and always at 1100—this procedure was established way back in Lenin's times and generally stayed the same almost until the 27th CPSU Congress.

Since Gorbachev did not specify the exact time for the appointment, I decided, based on mentioned above considerations, that the best time for him would be 1000. So, as they say, as the clock struck I opened the door of his reception room.

THIS MOMENT became a new mark for time to start counting for me, and gave my life a new pace that in comparison the hectic Tomsk period faded.

Gorbachev received me immediately and, after a brief greeting, sprang his surprise on me right away:

"Yegor, there is an opinion that you should be transferred to a Central Committee job and confirmed as chief of the Party Building and Cadre Work Department. This is all I can tell you right now. No more than that. Everything will depend on how things develop. Yuriy Vladimirovich will invite you for a conversation. He asked me to talk to you first, and that is what I am doing now. This is on Andropov's behalf.

To be honest, deep inside I felt somewhat confused. The issue was not as simple as it appeared on the surface. The chief of that department at the time was Kapitonov. Of course, the Politburo had a right to replace him by its own decision, but Kapitonov was a Central Committee secretary, and in that case only the Central Committee plenum had a right to decide on the issue. Besides, Chernenko, second secretary of the CPSU Central Committee, was on vacation at that time; had he been in Moscow, it is doubtful that Gorbachev would have been able to interfere so blatantly into personnel matters, especially since we were talking about the head of the Party Building and Cadre Work Department. There existed an unwritten, but nevertheless inviolable subordination among Politburo members—not to interfere into personnel matters unless they were part of your job duties. I myself, by the way, later followed this convention to the letter: It does exclude, to a large degree, the possibility that any one Politburo member would have an undue influence on personnel selection, leaving this prerogative in the hands of the general secretary, second secretary, and, of course, the Politburo as a body, since the final decision is made collectively.

Since events were obviously taking an unusual turn, it became clear to me that Gorbachev was Andropov's trusted man.

However, this immediate evaluation of the situation also had to include considerations of a different order.

THE FIRST TIME I was invited to work at the Central Committee was in 1961. This was a post-cult period when the old, going back to Stalin's time, accusation of Trotskyism that had been threateningly thrown at me then—a fact well remembered by Shelepin—no longer "put a black stain" on a resume and would not be an obstacle to a job in the central apparatus. Without going into details here, I have to mention that in the 1950's I was a party raykom [rayon committee] secretary in the same rayon of Novosibirsk where the famous Academic City was being built. During the whole Academic City start-up period I worked side by side with Lavrentyev, Khristianovich, Marchuk, Budker, and many other outstanding Soviet scientists from whom I learned many, many things. Later I was elected secretary of the Novosibirsk Party Obkom, and it was from that position that I was invited to come to work for the Central Committee as a deputy chief of the propaganda department of the CPSU Central Committee Bureau on the RSFSR [Russian Soviet Federated Socialist Republic]. Then, after one more in the succession of reorganizations that shook the party apparatus in those times, I was appointed a deputy chief of the party building department of the same bureau.

The first two or three years the work in the Central Committee was interesting to me; my range of interests had expanded, and I had acquired a deeper understanding of many social phenomena. In short, my intellectual "luggage" grew substantially. At the same time, I gradually started to feel increasingly nostalgic for real life work with people. I lost interest in my job, it became a burden for me; I came home evenings in a bad mood. So, in 1965, having consulted with my wife Zinaida Ivanovna, I wrote a request—addressed to Brezhnev—asking to be sent to do party work somewhere far away from Moscow, preferably in Siberia. Naturally, I did not put the words "far away from Moscow" in my request verbatim; however, I did discuss this in advance with my immediate superior, Kapitonov, chief of the party building department, and with him I did talk openly and honestly.

Kapitonov supported my request.

THE POINT is that in the post-Stalin period the rotation of top-ranking party cadres—moving them from the center to the periphery and vice versa—had a very specific, purposeful, and, I would say, undulating nature that was far from accidental. When Khrushchev consolidated his hold on power, having sent his opponents Molotov, Malenkov, Bulganin, and Kaganovich into political oblivion, he started in 1959 a new cycle of replacing the Moscow cadres. At that time many party cadres were transferred from Moscow on a variety of excuses. For instance, Kapitonov, first secretary of the Moscow Party Obkom, went to work in Ivanovo; Marchenko, second secretary of the Moscow Party Obkom, was transferred to Tomsk, etc.

After Brezhnev came to power, he immediately started a reverse process. Kapitonov was quickly returned to Moscow, as early as in 1964, and appointed chief of the party building and cadres work department. Marchenko was also called back to Moscow from Tomsk... In short, Brezhnev gathered back all those whom Khrushchev kicked out, and, vice versa, getting rid of those whom Khrushchev had brought in. For instance, Yefremov, a candidate member of the CPSU Central Committee Presidium, was sent to Stavropol; a little later Voronov, the chairman of the RSFSR Council of Ministers, was retired...

This "undulating" tendency did not affect me—my connection with the Khrushchev's team was limited to the fact that I shared an official motor-pool car with Burlatskiy and Arbatov. Burlatskiy's place in that team was, as people snickered behind his back, to be errand boy, and not even for Khrushchev himself, but for his son-in-law Adzhubei. Today, perhaps because it was all so long ago, things seem to look different: Burlatskiy has a reputation of having been almost Khrushchev's main adviser, and nobody hears much about Adzhubei anymore.

By the way, in June 1985 a letter from Adzhubei, addressed to the Central Committee, ended up on my desk. In this letter he expressed his support for the new course and asked that Suslov's restrictions on him publishing under his own name be removed. I was not aware that such unwritten bans existed and was quite shaken: How can one treat people in such a way? How can one ban a journalist from publishing work under his own name? I showed this letter to Mikhail Sergeyevich, of course, and we resolved this issue in a positive way. Adzhubei again started to publish in newspapers and magazines without having to resort to a pen name. However, for reasons not entirely clear to me, he never really and fully returned to the public arena. I would not rule out the possibility that he was prevented from doing so by some former very unimportant members of Khrushchev's team. After all, Adzhubei's political "reanimation" would have reduced their own "rating," and in the eyes of the public would have turned them from N.S. Khrushchev's chief advisers into what they really had been.

BUT I have gotten a little distracted. Coming back to the events of 1965, I must say that I did not have any doubt that my request would be dealt with quickly. At that time, there were not too many volunteers to leave Moscow for the provinces, and to Siberia at that. For me, by the way, it was the third time I had moved from Moscow to Siberia.

However, a week passed, then another, then one more, and I was not getting any signals from above. A month after I submitted my request I was finally called to see the general secretary. (Footnote) (Strictly speaking, in those years L.I. Brezhnev was the first secretary of the CPSU Central Committee; however, for the purpose of simplifying my recital I am using the current title for his position.) Kapitonov was present there, too. I realized, of course, that the matter had been resolved in my favor: The general secretary does not call you for an audience to deny a request. What I did not know was where I would be sent.

To be continued.

Second Installment

91UN0775A Moscow ARGUMENTY I FAKTY in Russian No 4, Jan 91 p 1

[Second installment of excerpts of memoirs by Ye. Ligachev, former CPSU Central Committee Politburo member and CPSU Central Committee secretary: "Ye. Ligachev. From Memoirs."]

[Text] Brezhnev, who at that time was still energetic and businesslike, said:

"Sit down... You must have been worried since you have not heard from us for so long, have you? It has nothing to do with you personally; with you, everything is clear, we know you... The delay was with Marchenko, it took a long time to find a slot for him. So, you want to go back to Siberia? We have given it some thought, and decided to send you to Tomsk. What do you think?"

I was being sent to Siberia—that was wonderful! As to Tomsk, I was not particularly happy to hear that: I knew that Tomsk Oblast had been neglected; it was quite removed from the big crossroads. The secretary of the Tomsk obkom [oblast party committee] then was, as they say, dreaming day and night that he would be called back to the capital. The state of affairs in the oblast reflected this attitude accordingly.

Naturally, however, I kept all these thoughts to myself, and immediately agreed. After I left the general secretary's office I even thought that it might not be such a bad idea, after all. In any case, this large Siberian oblast offered me an opportunity to apply myself, to test my mettle.

Now, looking back, I can say that the Tomsk period was the most interesting, the most wonderful one in my life. It was a spiritually uplifting period. Even if I had never worked anywhere else but there, I would still consider my life a success and myself—a happy man. Although it was not easy, and sometimes I could not squeeze out even an hour of free time—as they say, I had plenty of hard days but none was a burden. Fate had brought me together with some wonderful people! This is, I think, the most important factor, because a man's life is empty without true camaraderie. I remember how in 1983, when I was leaving for Moscow and the obkom bureau's members came to the airport to see me off, I said:

"Well, seventeen years are not seventeen moments..."

But I am getting ahead of myself again. That morning, however, when I got the unexpected news from Mikhail Sergeyevich, I instantly remembered the events of 1964-1965, related to Kapitonov's transfer to the Central Committee. It had become clear without a doubt: A new period was starting in the party; the replacement of the party building department head was clear proof of it. Another thought that came to my mind at that moment: The twists of fate are truly strange—could I, leaving for Siberia from "under" Kapitonov seventeen years ago, have suspected that I would be coming back as his replacement? By the way, Kapitonov was not a bad man, and an honest one, and the issue was an impersonal one: Whoever had held this post under Brezhnev, his personal qualities notwithstanding, had to leave it under Andropov. That went without saying.

Meanwhile Gorbachev lifted the receiver on the direct telephone line that connected the general secretary with other Politburo members.

"Yuriy Vladimirovich, I have Ligachev here in my office. When can you see him?.. All right, I will tell him."

Putting down the receiver, he said encouragingly:

"He will see you right now. Go. Well, Yegor—good luck!"

I went to the fifth floor and to office No. 6, traditionally occupied by general secretaries. I was already 62 then. Mine had not been an easy life, and there had been plenty of drama in it. I had also accumulated substantial political experience in those decades—it just happened that in various years I had not only been in contact with the highest Soviet leadership, but also with Mao Zedong, twice. Tomsk Oblast was now firmly "standing on its own feet." Most importantly, I was not thinking at all about my career—that was my strength. And what kind of career can one talk about at the age of 62? Although, thanks to a healthy life style, I was in excellent physical shape and was ready to continue to carry any burden, because of my age I was not, I repeat, worried about my future, and therefore had not experienced childish delight on the occasion of a possible new assignment to Moscow.

Each age has its own strengths and its own weaknesses. When one is over 60, the vain and the momentary in him becomes weaker, while the wisdom accumulated over a lifetime becomes more prominent. Not everyone is fated to experience these internal, spiritual changes, but I share the thoughts of Leo Tolstoy who wrote that, having achieved the pinnacle of his years, a man leaves behind his personal ambitions and gets an opportunity to concentrate entirely on his civic feelings, and on service to the Fatherland. It is true that Tolstoy experienced this change when he reached 50. But this was a century ago. Now the age boundaries have changed.

It is, of course, necessary to combine people of different ages in the high echelon of power in the country, because a healthy ambition that is typical of younger people is as necessary an element of the power elite as the experience and good sense that come with age. In this regard I would like to say the following. Later, when the Brezhnev period was dubbed as the "stagnation period," I only partially agreed with this definition. Yes, there was obviously an excessive number of elderly politicians in the ruling nucleus of the party; these people did not have any prospects and were only concerned with retaining the power in their hands. Without question, their activities can and should be characterized by the word "stagnation." But if we are talking about the country as a whole, the picture across its great expanse was very uneven.

During those years major national-economic complexes had been built in the eastern part of the country; among them were the world class oil and gas and petrochemical complexes in Western Siberia. In the European part of the country, VAZ [Volga Automotive Works], KamAZ [Kama Automotive Works], and other major construction projects—that could not possibly be called stagnant—were completed. During the 1960-1970 period, national income increased four-fold, and residential construction, three-fold. Military-strategic parity between the USSR and the United States had been achieved. Thanks to the efforts of many people the country continued to move forward, although during the last years of Brezhnev's leadership the growth rate of the economy had noticeably slowed down, the power abuse had grown, the discipline slackened, and certain entire areas of the country remained off limits for criticism.

This could be summarized in the following way: Stagnation was not in the workplace, but in the ruling political nucleus of the country. Also in Marxist-Leninist theory. There was stagnation there, too. As a result, the country had not been able to enter the new stage of the scientific and technical revolution while standing on its threshold. The developed countries in the rest of the world had made that transition, while we missed the opportunity and simply marked time. This oversight had a fatal impact on the further development of the country. A considerable blame for this lies with the country leadership, and also with the leading social scientists who had concentrated their attention on substantiating the so-called "developed socialism," while they overlooked the main issue of the last third of the 20th century—the next stage of the scientific and technical revolution. By the way, among those social scientists there were quite a few of those who later loudly denounced the stagnation period and trumpeted themselves as the stewards of perestroyka.

This topic in general deserves special attention, and I will come back to it when I get to the planned Central Committee Plenum on scientific and technical progress. For now, I can only touch upon it briefly. As I have already mentioned, in the 1950's I had had an opportunity to work closely with some outstanding Soviet scientists in Novosibirsk Academgorodok. In Tomsk, we had also invested considerable effort in the creation of a scientific base: As is known, the fame of Tomsk University—the first in Siberia—continues to grow, and today Tomsk is a major center for sciences and higher education. Many well-known Soviet scientists had visited Tomsk, helping to establish the complex of research institutes of the USSR Academy of Sciences and the USSR Academy of Medical Sciences. In short, I have always had quite a few acquaintances in the scientific community, who have kept me informed on the processes taking place at the academic Olympus and around it; among other things, they shared their concern in regard to insufficient attention being paid to matters of scientific and technical progress.

We should probably talk about stagnation as we would about any other sociopolitical phenomenon: In some places stagnation did bloom—if such words can be used together legitimately—but in others life went forward. To be honest, I am against general, all- encompassing political labels that, without question, are still a part of the legacy of Stalin's times that have not been removed from of our consciousness. The truth is concrete, and therefore an attempt to explain everything that took place and is taking place in life by one and only word-symbol is nothing more than a propaganda trick. We have had all of that in the past: "cosmopolitanism," "voluntarism..." "Stagnation" is a term of the same prosecutory order, albeit somewhat softened by the time and circumstances.

I am writing all this because in 1983, when Andropov became the general secretary of the CPSU Central Committee, I, together with many other obkom secretaries, had been waiting impatiently for a change, knowing well that the country, unfortunately, had been on the track leading to a socioeconomic dead end. What was needed was to genuinely harness ourselves to the new team and get the country back on the main road. I saw a good omen in the fact that the political clout of a young and energetic Gorbachev began to grow fast under Andropov who was a wise man but, unfortunately, feeble. And since there was a role for me in their plans—a very important role, I must say, but still a working role of an assisting nature—not the leading, the career one—I was ready to accept it without hesitation. What was happening was in line with my own views.

We had to get down to business! Andropov and Gorbachev were planning a cadre turnover—a historically inevitable step. I am being sent to the department where I will have to do this needed, very much needed, but, alas, not always thankful job. Well, if it is needed—it has to be done!

I did not have any other considerations at that time. Because of my age, I believed that this would be the last job shift in my life, and was mentally preparing myself to spin the flywheel so hard that, as they say, good people would feel the warmth, but the devil would feel the heat.

In that mood I arrived at Andropov's reception room.

Yuriy Vladimirovich also received me almost immediately. He asked right away:

"Did Gorbachev talk to you?"

"Yes."

"I am going to propose to the Politburo that it confirm you as the new head of the party building and cadre work department. What do you think of it? We have studied you quite well..."

There was no need to ask superfluous questions. My reply was brief:

"I agree. Thank you for the trust."

"Then we will conduct the confirmation today at 11:00 at the Politburo meeting."

"Already?" I blurted out inadvertently. That I did not expect—that the events would develop so swiftly.

"What is there to wait for? We have to get down to business..."

The whole conversation took about ten minutes. Outside of Andropov's door I glanced at the clock and realized that I may not make it in time to the Kremlin, to the Politburo meeting. The general secretary would go by car, while I had no transportation and could only rely on my own two feet. At the same time, I absolutely could not be late for the meeting: As a rule, they started with personnel matters. There was no time to stop by Gorbachev's office, either, to tell him about my conversation with Andropov. Besides, Mikhail Sergeyevich had certainly left for the Kremlin by now—the Politburo members gathered in the Walnut Room before the general secretary arrived.

Without wasting any more time, I went downstairs, came out to Staraya Square and walked in a fast pace down Kuybyshev street towards the Kremlin.

ANDROPOV

The Politburo members gather for their meetings in the Kremlin—on the third floor of an old building with high ceilings and high windows through which one can see the Kremlin wall. Nearby is Red Square and the V.I. Lenin Mausoleum. Of course, the floor plan of this part of the building had been changed substantially, and it had been retrofitted in a modern manner, with all types of communications provided. Actually, this part of the building houses, in addition to the Politburo meeting hall, the general secretary's Kremlin office and reception. Also situated here is the so-called Walnut Room—a walnut-paneled room with a large round table, around which members of the higher political leadership gather before their formal meetings and exchange their opinions. It is around this table that the most important and most complex issues on the agenda are often discussed unofficially and preliminarily, without transcript or protocol. Therefore sometimes the meeting itself is delayed 15 to 20 minutes. Politburo candidate members and Central Committee secretaries also participate in the meetings, of course, but they gather directly in the oblong meeting hall, at the long table where each has a place, unofficially but permanently reserved for him. The outsiders invited to the meeting sit at small tables situated along the walls.

Besides this Kremlin meeting hall, there is—just like in many other countries—a so-called command station where members of the higher political leadership may gather under extraordinary circumstances. It would be good if we had never had to use this reserve command station.

During Brezhnev's last years the Politburo meetings were short and speedy—decisions, prepared in advance, were adopted in a matter of one hour, or sometimes even 40 minutes, and everybody went home. However, under Andropov the political leadership started to work in full force, and the meetings lasted for hours. There were no breaks, members had to do with sandwiches and tea. Under Gorbachev a lunch break had been introduced: Everybody went down to the second floor and had lunch around one long table, while continuing an active informal discussion of various issues—including those on the meeting agenda—as well as exchanging opinions on publications in the press, new performances in the theater, television programs, and travel around the country.

As an obkom first secretary, I had been present at the Politburo meetings once in a while before. Hurrying down Kuybyshev Street towards the Kremlin, I tried—but only fleetingly—to imagine how the conversation would turn, what kind of questions I would be asked, and how I would answer them. I was not at all worried, though. First of all, I had no doubt that the general secretary would be able to do it his way. But, most importantly, I had no personal stake in moving to Moscow. I was satisfied with my work in Tomsk. Gorbachev's offer was sudden and unexpected, and my feelings at that moment could be summed up this way: Whatever happens—so be it!

To tell the truth, I was also curious how the situation with Kapitonov would be resolved. But, of course, these issues are always well prepared in advance. When the meeting got to personnel matters, Andropov said:

"The proposal is: To confirm Yegor Kuzmich Ligachev as the head of the party building and cadre work department, and to put Comrade Kapitonov in charge of the sphere of consumer goods production and distribution. You know what importance we place on this area; this is an extremely important responsibility. Comrade Ligachev has the experience of having worked at the factory, in Komsomol [All-Union Leninist Communist Youth Union], and in the soviets. He has also worked at the Central Committee," Andropov especially emphasized the latter. "This means that he knows the work of the Central Committee apparatus. What shall we do, comrades?"

"How many years in Tomsk?" somebody asked.

"Seventeen."

At this moment I corrected him jokingly.

"Seventeen and a half..."

Andropov smiled. My appointment was confirmed with blessings, but then N.A. Tikhonov suddenly asked me with a mockingly grave air: "And what am I to do now?" And since I did not understand the question, he immediately added: "You have presented me with certain tasks, have you not? So, what am I to do now?"

Then, turning to Yuriy Vladimirovich, he explained: "Ligachev visited me two days ago and, as they say, resolved the issue of building a concert hall in Tomsk and of establishing a fourth academic institute—on materiology. I promised to help. But now he is leaving Tomsk..."

Andropov immediately understood the joke and answered in the same manner:

"Well, the chairman of the Council of Ministers will have to carry out this task, while new department head Ligachev will have to conduct the inspection."

On this light note the issue of my appointment was closed. By the way, both the concert hall, and the academic institute created with concurrence and help from Academicians A.P. Aleksandrov and G.I. Marchuk, are now open and functioning in Tomsk.

When I left the Politburo meeting hall, it was approximately 11:30. Only an hour and a half had elapsed since my conversation with Gorbachev, but my life had already drastically changed its course.

Frankly, I do not remember how the rest of that day went. The next morning, however, I was presented with another surprise. I came to Gorbachev's office to briefly exchange opinions, when suddenly he said:

"You know, Gromyko was especially supportive of you. There was even this incident: Andropov, Gromyko, and I were discussing candidates for the post of the party building department head, and I said then that we needed a Ligachev-type person. I was pleasantly surprised that Gromyko immediately supported it: 'I know about him,' he said, 'he is a good candidate...' It was, I think, about two months ago. As you understand yourself, some time was needed for checks, etc. Yuriy Vladimirovich studies the cadres scrupulously."

Gromyko's support was an unexpected and truly surprising piece of news for me. The point is that we have never been personally acquainted; we have never met, never spoken to each other. I believed, by the way, that Andrey Andreyevich did not know anything about me, and that he, perhaps, only had heard my name. Now it turns out that the Politburo elder supported me. Why? Where did he learn about me?

I started to rake my brains and remembered how, in the very beginning of the 1980's, I was courted to go as an ambassador to a prestigious European country. Suslov and Rusakov introduced this proposal in the Politburo. Zimyanin told me about it, also mentioning that everybody unanimously supported the proposal. Then Mikhail Vasilyevich said in approval:

"See, you have been appointed an ambassador to a nice country without even being asked. This means that you are known and respected."

I did not pick up the bantering tone, though:

"I wish they had asked me; by the way—I have no intention of leaving Siberia."

"What can you do about it now? The decision is approved in principle."

"I will do something, you will see. They cannot send me further than Siberia, and they cannot demote me lower than secretary of a primary party organization. And that is just fine with me."

Soon after this conversation I was called to Suslov. Kapitonov was there, too, and they both spoke about my ambassadorial appointment as if it were an accomplished fact. They spoke about it as a promotion, a position of high trust, and a bonus for having done a good job in the harsh Siberian environment. But I kept categorically refusing, which obviously irritated Suslov. He did not accept my arguments, of course, and, as he was seeing me out, he left no hope that the decision would be changed.

Next morning I was flying back to Tomsk. However, on the plane, having considered everything thoroughly, I decided to appeal to Brezhnev himself, and immediately started writing a letter to him.

To Be Continued

Third Installment

91UN0829A Moscow ARGUMENTY I FAKTY in Russian No 5, Feb 91 pp 5-6

[Third installment of excerpts of memoirs by Ye. Ligachev, former CPSU Central Committee Politburo member and CPSU Central Committee secretary: "Ye. Ligachev. From Memoirs."]

[Text] I wrote in it [letter to Brezhnev] that I did not want to be sent abroad to work, but wanted to stay and work in Siberia, because I loved this region and felt myself to be in the right place.

By the time we landed at Tomsk airport, I had finished the letter. I personally gave it to G.F. Kuzmin, head of the oblast party committee general department, to have it typed. The same day I sent the letter to Moscow by a field courier.

Two days later I got a call from Chernenko.

"Leonid Ilyich has read your letter. The issue is resolved in your favor. Do not worry and continue working where you are."

This is how the issue of my transfer to the diplomatic service had been closed. I had not visited anybody in the Ministry of Foreign Affairs [MFA], and none of their officials had had any conversations with me regarding my potential future appointment. It appears, however, that Gromyko remembered this story quite well, and that he had interpreted my refusal in his own way. Andrey Andreyevich preferred to appoint to ambassadorial posts professional diplomats who had already gone through substantial schooling in his department. The Central Committee apparatus, however, quite often saddled him with quite different candidates. My categorical refusal to accept posting abroad—and this posting was indeed in a prestigious European country!—probably was one of a kind. Therefore, it remained firmly in Gromyko's memory.

Later, when I had the opportunity to work closely with Gromyko, I found out that my guess had been right. But even then, in 1984, I had no notion how much trust he would show in me. I only realized this when in a most dramatic moment, when Chernenko died and the issue of selecting a new general secretary became a foremost priority, Andrey Andreyevich decided to consult me.

I will come back to this in more detail later. Right now, to restore the sequence of events, I want to mention that, after having been confirmed as head of the party building and cadres work department, I had to stay in Moscow for a few days—to take over the department. Several days later, at the celebration of Lenin's birthday anniversary, I unexpectedly found myself seated in the Presidium. People back in Tomsk did not know yet about my new appointment; they later told how surprised they were when they saw me on television.

I remember that shortly afterwards I asked Yuriy Vladimirovich for permission to go to Tomsk to wrap up my duties there. Andropov said:

"You can go only after you name a person to replace you as first secretary."

"Yuriy Vladimirovich, there is Second Secretary A.G. Melnikov; there also are other comrades who are fully capable of heading the oblast party organization."

"You have that many people prepared as replacement?"

"I have several."

This was absolutely true, and, without undue modesty, I was proud of it. The Tomsk party organization boasted an atmosphere where people could show their abilities, allowing them to develop fast. It was an atmosphere of healthy competition; everybody knew that I did not tolerate toadying and that I did not have favorites. The cadres were promoted strictly by their business and moral qualities.

As I had anticipated, from the spring of 1983 a speedy renewal of the party and economic-administrative cadres had started. Unfortunately, during the last period of his stewardship, Brezhnev and his immediate entourage placed first priority on the issue of the so-called cadres "stability," that in reality had turned into "unsinkability" of certain people needed by them. Some of these people had stayed for 15 to 20 years in their posts and were mostly concerned with their own well-being. These people often held to their jobs not by the results of their work, but by good relations with superiors in Moscow. They had worked out a whole system of how to report to the top, how to conceal overall failure, while putting forward smaller successes. They knew the right time to invite a Politburo member or a Central Committee secretary into their oblast, and how to curry favor with them.

Yes, such obkom [oblast party committee] secretaries as Drygin, Bogomyakov, Tabeyev, Morgun, Orlov, Gorshkov, and many others spent all their time in the Council of Ministers, the State Planning Commission, and other departments whenever they came to Moscow, trying to resolve their current problems. But there were also other secretaries, those who spent their time in Moscow on purposes far removed from business.

When they met during the plenums, party congresses, and conferences in Moscow, obkom secretaries, of course, exchanged opinions; each of us had our own affinities, our own friendly ties; we also knew each other's worth. It somehow happened, by itself, that the "worker-bees," the real doers, grouped together. Those who had hammered out honors and posts through personal connections, toadyism, and glorification of the bosses, stuck to each other, too. In short, in the 17 years of being a secretary in Tomsk Oblast I had gotten to know many other obkom secretaries, and I must say that in our party group we also knew the personal predilections of each: We knew who was a heavy drinker, who was especially good in toadyism, and so on. This knowledge later turned out to be very valuable to me in handling the cadres issues.

The renewal of party cadres was exactly where Andropov started. This same policy, after having slowed down somewhat under Chernenko, continued with renewed energy under Gorbachev.

Of course, my mission was often unpleasant: to inform people that they will have to resign. In many cases, when a person in question had not been a bad leader, but had simply outlived himself in terms of health and age, it upset me very much, and I prepared very thoroughly for this conversation. I always conducted this conversation in a benevolent manner, bringing up all the positive moments that had been in that person's history so as to soften somewhat the inevitable bitterness he would feel.

There had been, however, a different kind of circumstances, when the conversation had to take a hard turn, not to speak about the one when, on Andropov's behalf, in 1983, I had to get engaged in the confrontation with Rashidov—that I will relate separately in this book.

The roles had been defined very clearly. When it came to advising somebody to resign, I had to be the first one to talk to this person, taking upon myself the moral burden of his first reaction. But when it came to appointments and promotions, Gorbachev was the one who called people up to his office to announce the good news. I did not see anything demeaning for me in this division of labor, seeing it as absolutely necessary. Gorbachev was 10 years younger than I; he was already a Politburo member, and I thought it self- evident that in the interests of the party, in the interests of the country, I should help him and support him. In 1983, under Andropov, it was Gorbachev who started to look like a potential heir to Yuriy Vladimirovich; under these circumstances my task appeared to be quite clear. It was my responsibility to take upon myself the part of the work on cadres renewal that included its unpleasant component. In my understanding, it was an important element of the shared team work; who could know then that this work would later become much more complicated and get interrupted...

Meanwhile, it turned out that in real life the process of replacing leadership cadres is a complicated matter, and it moves forward with substantial difficulties. Some obkom secretaries, despite their advanced age, were clinging to their positions, writing complaints to Politburo members, even though it was abundantly clear that the issue of their future was an "overripe" one and should have been resolved long ago. Sometimes the problem also had material underpinnings—understandable in human terms.

The point is that under Brezhnev the pensions of high ranking party officials depended most often on their relationship with this or that Politburo member, and with Leonid Ilyich himself. This order—or, rather, disorder—unquestionably increased even more the local official's dependence on the center and on the relationship with his Moscow bosses. In essence, everything was determined by the degree of personal benevolence; in other words, the issue of pensions had been put on a personal basis. As a result, those secretaries who had worked most unselfishly, giving their work all their best and not paying too much attention to establishing personal connections in the center, in the Central Committee, found themselves in "a state of suspension" when they reached retirement age.

In those hot months I often repeated the famous saying, whose author, in all honesty, I do not remember:

"If you want to have a combat-capable army, be generous with pensions for the generals."

In the very beginning of 1984, the USSR Council of Ministers made the decision to put the determination of pensions for the party and soviet cadres on an objective, legal basis. Voluntarism in handing out pensions was over.

I think there is no need to go into detail here of the complicated and, for me, humanly torturous ups and downs of the personnel matters of that time. It would be of some interest, though, to present here a quote from the book "Portraits of the New Soviet Leadership," by Finnish political scientist Y. Yivonen. In the chapter devoted to my persona he writes, among other things:

"Ligachev's primary task was to carry out 'Andropov's revolution' among the leadership of the oblast and kray party organizations. By the end of 1983, about 20 percent of the obkom first secretaries, 22 percent of the Council of Ministers members, as well as a considerable number of the high-level leadership of the Central Committee apparatus (department chiefs and deputy chiefs) had been replaced. These rearrangements to a considerable degree reinforced the feasibility of carrying out Andropov's innovations. In December 1983, Ligachev had become a fully-fledged member of the Central Committee Secretariat. The sphere of his activities had been widened, too: He now had to more often take a position in the preparation and discussion of ideological matters. The election of Yegor Ligachev to Politburo membership had renewed a traditional discussion as to whether he was a 'liberal' or a 'conservative.' In some Western commentaries in the spring of 1985, it was noted that more freedom of opinion had been evident in Soviet culture, and that well-educated and well-read Ligachev looked favorably at the strivings of the cultural figures and of the intelligentsia in general. About the same views had been proffered in 1982 in regard to Andropov..."

The percentage figures of the leadership cadres' replacements, quoted by the Finnish political scientist, are close to the truth. As to his mentioning that in December 1983 I was elected a secretary of the CPSU Central Committee, this deserves a special conversation.

Again, it all started with Gorbachev.

The CPSU Central Committee December Plenum was approaching, and one day Mikhail Sergeyevich told me:

"Yegor, I am insisting that you should be elected a Central Committee secretary. The plenum is approaching; I am actively working on this issue."

During the past six months we had become even closer and had had opportunities to test each other in action. We had reached a stage in our relationship where we could understand each other almost without words; our conversations were always straightforward and frank.

Therefore, I was not surprised when a few days later I received a call from Andropov's aide, P.P. Laptev:

"Yegor Kuzmich, you need to visit Yuriy Vladimirovich. He invites you today at 18:00."

Andropov was already gravely ill and no longer chaired Politburo sessions. He was in the hospital, and I was somewhat confused as to where and how our meeting could take place; I related all of this straight to the aide.

"A car will come for you and take you there," was the reply.

I want to remind you that it was December; it was getting dark early, and as we were driving through Moscow, street lights had already come on. I was going through the events of the past months in my head. Andropov's political course had been defined clearly: It was the perfection of socialism and political continuity on the basis of all the best that had been achieved by the people's efforts. At the same time, it was aimed at getting rid of all those negative layers that I had already mentioned and that were later—and quite justifiably so—called the stagnation phenomena.

I know that after Andropov was elected CPSU Central Committee general secretary, he received tens of thousands of letters and telegrams with pleas and demands to strengthen order and discipline in the country and to increase the leadership's responsibility. And Yuriy Vladimirovich answered this call of the people. The "year of Andropov" remained in popular memory as the time of getting things in order in the interests of ordinary people. First of all, at issue was the effective use of the enormous potential of our country. I must mention here that Yuriy Valdimirovich had the rare gift of a true leader—to translate general tasks into the language of concrete actions. He had in his hands such key issues as the relationship between the rate of growth in labor productivity and salaries, and the balance between the total supply of goods and population income. These were big political issues for him.

As a department head, I often reported to Andropov on the state of affairs in these extremely important spheres of the life of our state. Usually, Yuriy Vladimirovich started this way:

"Tell me, Yegor Kuzmich, where are we now?"

With this phrase—"Where are we now, in your opinion? Give me your view of the current situation."—Andropov often started working sessions. Then he would add:

"Let us toss this problem around."

Then we would thoroughly "toss" this or that problem, at the same time tossing down pretzels and tea. If this was a one-on-one conversation, Yuriy Vladimirovich often ended it with the words:

"Well, I have looked you over..." It appears that Andropov put his own, known only to him, meaning into this phrase, and I believe that he used this phrase in wrapping up conversation with others as well.

Thanks to the constant attention on the part of the party in the center and locally, it had been possible to sustain the relationship between the rate of increase in productivity and in salaries at the 1:0.5 level, leading to improvement of the economic situation. Today, the significance of this issue is especially clear, but by now, unfortunately, this correlation looks completely different—1:2.5, leading to total disarray in the consumer market and in money circulation. How and where it all started is a subject for another chapter.

I cannot fail to mention something else, however: No matter how widely we interpret the demand to "get things in order," it would be incorrect and lopsided to limit the "year of Andropov" to just this one thing. Yuriy Valdimirovich had a clear vision of the prospects for the development of the country; he did not like improvisation and flip-flopping; he was planning the renewal of socialism on the basis of previous achievements and of creative development of the Marxist-Leninist theory, with the understanding that socialism needed deep and qualitative changes. Yuriy Vladimirovich considered this process to be an objective necessity and said more than once:

"We can neither ride or walk around it..."

Andropov placed serious emphasis on the development of our political system. But in this he also believed that it was necessary to consult the people first: It was Yuriy Vladimirovich who introduced the practice of preliminary discussion of important party-government decisions on the ground floor—in the workers' collectives, at the factories.

I cannot enumerate all of Andropov's ideas here, but I will have to come back many times in this book to that memorable year, when the great power started to turn in the direction of a new course. Although health permitted Yuriy Valdimirovich too little time, he left such a deep imprint in history that the people remember him and revere him. The people accepted his motto: Let us tune into action, not words!

The car that was taking me to Andropov turned to Rublevskoye highway. My escort—a comrade from the KGB's Ninth Department, in charge of government protection—told me that we were going to Kuntsevo hospital. We came through the main gate, and turned left, towards two identical two-storied buildings. We came up to the second floor and took off our coats. Then I was given directions to Yuriy Vladimirovich's room.

It was a modest looking hospital room: a bed, several medical devices next to it, and an IV hanging on a hook. Next to the wall was a small table, and there sat some man.

For a few moments I had not realized that it was Andropov. I was shaken by the way he looked and even remember thinking: Maybe this is not Yuriy Vladimirovich at all, but some other comrade who is supposed to take me to Andropov?

But no, this was Andropov, unrecognizably changed by his illness. In a low, but familiar voice—they say that an adult person's voice does not change during his entire life—he offered:

"Come in, Yegor Kuzmich, sit down."

I sat down on the chair that had been set up for me, but for a few minutes still could not recover from the shock Andropov's changed appearance had caused in me. Truly, his face already bore the imprint of nearing the end. Yuriy Vladimirovich, I think, sensed my confusion, but, I hope, explained it away by some other reason—say, simply by emotions. And, amazingly, he started to comfort me:

"Calm down; tell me of your work; what kind of problems do you have now?"

I knew I was going to the meeting with a gravely ill man who had to avoid exertion, so I prepared an answer that would take no more than 10 minutes. However, Andropov interrupted me in about seven minutes:

"All right, this is clear... I asked you to come here to tell you: The Politburo will present to the plenum the proposal to elect you a Central Committee secretary." Then, changing back to "Thou," he added semiofficially: "Thou have been a real find for us..." **To be concluded**

Final Installment

91UN0863A Moscow ARGUMENTY I FAKTY in Russian No 6, Feb 91 p 5

[Final installment of excerpts of memoirs by Yegor Ligachev, former CPSU Central Committee Politburo member and CPSU Central Committee secretary: "Ye. Ligachev. From Memoirs."]

[Text] Tea was brought in, and we chatted unhurriedly for 15 more minutes about the current situation in the country. Yuriy Vladimirovich was dressed in regular clothes instead of the usual hospital garb—an undershirt and striped pajama pants. I was looking into his face and still could not recognize the same Andropov I had been used to seeing at work. On the outside, he was a completely different person, and my heart ached from feeling sorry for him. It was clear to me that his strength was ebbing.

We said good-bye in a calm, manly manner. This was the last time I saw Yuriy Vladimirovich alive, and I will always remember that December evening in the hospital room.

Several days later a plenum took place and I was elected Central Committee secretary. The motion was made by Chernenko, who chaired the plenum and referred to Andropov's opinion. Konstantin Ustinovich had not discussed this matter with me before the plenum; neither had I been invited to the Politburo sessions where it was discussed on a preliminary basis. Gorbachev later told me:

"The Politburo members reacted very positively to the proposal to elect you a secretary. Gromyko and Ustinov were especially supportive."

When I came to my office after the plenum, I found in my reception room the same comrade from the KGB's Ninth Directorate who had taken me to the hospital to see Yuriy Vladimirovich. He was now "assigned" to me. By the evening of the same day foreign radio was broadcasting the news of my election, with the following commentary: New Central Committee Secretary Ligachev is an ascetic man, modest in regard to life's comforts; six months ago he moved to Moscow with just one suitcase.

The most surprising thing is that it was absolutely true. How did they know that I indeed moved to Moscow with one suitcase and a thick bundle of handwritten reports and speeches I had accumulated in my 17 years in Tomsk?

Soon the preparations for the elections to the USSR Supreme Soviet started, and I flew back to Tomsk for preelection appearances. I stayed in a familiar place—a dacha at the Blue Rock. It was there late in the evening of 9 February 1984 that I received another telephone call from Gorbachev:

"Yegor, there is bad news: Andropov is dead. Get on a plane. Be in Moscow tomorrow morning, you are needed here..."

The official coded cable about Andropov's death only arrived at Tomsk Obkom [oblast party committee] in the morning. By then I was already approaching Moscow—when you fly from east to west, you gain time: You leave Tomsk at 0800 local time and arrive in Moscow at 0800 Moscow time. The time difference between Moscow and Tomsk, as I had already mentioned, is four hours, and so is the flight time—almost four hours.

The same morning we were writing the obituary in Zimyanin's office. I remember there were five or six of us. Zamyatin, Volskiy, Andropov's aide, and somebody else. When we wrote about Yuriy Vladimirovich—"outstanding party and state figure"—one of those present expressed doubts:

"Are we not exaggerating Andropov's role? He was only general secretary for a short time, little more than a year."

I objected:

"It is not the time period or the term that counts, but the trend in development, the results!"

V.I. Lenin had the interesting idea that "a historical role is judged not by what a historical figure did not accomplish in relation to current expectations but by what new he produced in comparison with his predecessors."

Chernenko was elected general secretary, as they say, without problems. He was nominated at the plenum by Council of Ministers Chairman Tikhonov; he received the necessary support, and everything went smoothly. A snag developed a little later, when during the Politburo organizing meeting Konstantin Ustinovich proposed assigning the chairmanship of the Central Committee

Secretariat meetings to Gorbachev. It appears that Chernenko realized that a young, energetic, physically strong person was needed for this task.

Not all Politburo members, however, shared this sensible point of view. Tikhonov immediately responded to the general secretary's proposal:

"Come on, Gorbachev will turn the Secretariat meetings into a Ministry of Agriculture collegium; he will bring up only agricultural issues..."

It was clear that this was just a formal excuse to remove Gorbachev's candidacy, but some members jumped on it right away, and several rejoinders expressing doubts sounded immediately. The general secretary's proposal got Ustinov's support, however.

Then, using his diplomatic experience, Gromyko spoke. To remove the tension, he suggested a Solomon solution:

"Let us think about it; there is no need to hurry. We can come back to this question later."

The slightly phlegmatic and physically feeble Chernenko, however, suddenly showed his character and said firmly:

"I still insist that you support my proposal to entrust the Secretariat to Comrade Gorbachev."

Yes, this is the way it happened; as they say, you cannot throw a word out of the song. Although Chernenko and Gorbachev had never been close, Konstantin Sergeyevich, on his own, decided to place Gorbachev in this unofficial second-highest post in the party hierarchy, firmly insisted on it, and got his way. In general, Chernenko was far from the simpleton that some journalists, already in the perestroyka era, quickly came to portray him as. Although naysayers whispered in his ear quite a few adverse and ill-advised things about Gorbachev, he was able to separate the truth from fabrications. During his tenure Gorbachev's role continued to increase, although not without certain complications.

I want to say, though, that Mikhail Sergeyevich and I also behaved ourselves in an utterly aboveboard manner regarding Chernenko. As to certain complications that I have mentioned and I will come back to them later, I think that Konstantin Ustinovich had nothing to do with them.

I learned later, however, that the situation at that time was far more grave than I had suspected. Mikhail Sergeyevich himself told me about it later. It turned out that there were some people in the Ministry of Internal Affairs in 1984 who had been tasked to search for "compromising materials" on Gorbachev during the Stavropol period of his career.

Commentary on Memoirs

91UN0863B Moscow ARGUMENTY I FAKTY in Russian No 6, Feb 91 p 5

[Unattributed commentary: "All Around the Memoirs"]

[Text] We have completed the publication of Ye. Ligachev's memoirs. Those who expected to find something sensational, some revelations, are probably surprised—there is nothing "hot" in them.

One cannot say, however, that the facts related by the author of the memoirs are of no interest. They bring us the flavor of the times, the pulse of events that were unfolding before our eyes. Among the actors are some who are still at the helm of our state today. And the testimony of an author who until recently occupied the second rung on the ladder of power unquestionably deserves attention.

As we have emphasized many times, ARGUMENTY I FAKTY gives space on its pages to authors without asking for proof of their loyalties or credos. Any point of view has a right to exist. We believe that ARGUMENTY I FAKTY is not a driving belt of any one party or organization but first and foremost a source of information for its readers.

The publication of Ye. Ligachev's memoirs in ARGUMENTY I FAKTY has already generated a response not only on the part of the readers but also from the press. For instance, in a large article by its editor in chief, Anatoliy Yurkov, entitled "Memoirs... Rushed to the Presses?" on 29 January, RABOCHAYA TRIBUNA rebuked Yegor Kuzmich's aspirations—he wanted to publish in RABOCHAYA TRIBUNA but had been turned down. Just six months ago all CPSU Central Committee Politburo member Ye.K. Ligachev had to do was say: "Anatoliy, you are wrong!"—and the traces of this principled editor in chief would have diasp
peared in the dust of recent history. But it must be such a pleasure to tell the truth straight to a former boss! A truly party-inspired principled stand. One wonders what he will write about the current boss when he retires?

"Each of us is facing a choice," writes the chief, "which side you are on—democracy and perestroyka, or the return to the old. If you are for the continuation and growth of perestroyka—that means you are for Gorbachev. If you are against him—you are against the democracy." Does not it sound like the famous: "Those who are not with us are against us"?

And the "enemy" has already been found: ARGUMENTY I FAKTY, "the publication with the highest circulation," writes Yurkov, "does not hide its direction, and often puts itself in opposition to the CPSU Central Committee general secretary." Here, the denunciation is ready.

The article shows a clear attempt to create a conflict situation between ARGUMENTY I FAKTY and the president. It hints at some "mutual gain" that the editors share with pensioner Ye.K. Ligachev.

What is all this for? Perhaps, it is being done to cast a shadow on the publication that speaks of both positive and negative moments in the authorities' actions (something a well-disciplined RABOCHAYA TRIBUNA apparently cannot afford to do).

"Playing games with public opinion will not end well," admonishes the editor in chief of the all-Union RABOCHAYA TRIBUNA, whose circulation is less than a Moscow city Komsomol [All-Union Leninist Communist Youth Union] newspaper. But "public opinion" is precisely the number of readers who vote by their subscriptions for the content and editorial policy of this or that newspaper.

What if the number of "yes-voters" is too small? Then one has to resort to tricks. Is this not why RABOCHAYA TRIBUNA, which ostensibly defends the principles of materialism, claims that its pages are charged with the "healing energy" of ESP (see 7 October and 15 December 1990 issues)?

CPSU Commission Urges Priority for Science

PM1402160991 Moscow PRAVDA in Russian 11 Feb 91 p 2

[Unattributed report: "The Party and Science"]

[Text] A regular sitting of the CPSU Central Committee Commission for Science, Education, and Culture took place 9 February under the chairmanship of Academician I.T. Frolov, member of the CPSU Central Committee Politburo. The commission considered the question "On CPSU Science Policy." Academician N.P. Laverov, member of the CPSU Central Committee and USSR deputy prime minister; Academician V.N. Kudryavtsev, vice president of the USSR Academy of Sciences; and V.V. Ryabov, member of the CPSU Central Committee and chief of the CPSU Central Committee Humanitarian Department, delivered reports at the sitting. Taking part in discussion of the question were academics, USSR and union republic people's deputies, and secretaries of scientific organizations' party organizations. It was noted at the sitting that the conditions of the transition period in society's life require the formulation and implementation of a strong CPSU science policy on the basis of the aims and principles specified by decisions of the 28th party congress. The speakers were unanimous that science along with education and culture must be included among the highest state priorities, and that the task of preserving the USSR's scientific potential must be accomplished by supporting it comprehensively with legal, economic, political, and organizational resources.

The commission favored accelerating USSR Supreme Soviet consideration of prepared draft laws and the qualitatively new system of science legislation being formulated, and proposed enshrining in law the policy of ensuring the preferential growth of state appropriations for scientific research in relation to national income.

The speakers called on party organs to strengthen collaboration with the primary party organizations of scientific institutions and higher educational establishments, facilitating the preservation and effective utilization of scientific potential and the strengthening of academics' social protection.

The commission suggested to Communists and representatives of the scientific community that they take part in discussion of draft laws on science.

The sitting participants adopted an appeal to academics, scientific teaching staff, and cultural figures expressing concern over the threat of the use of chemical and nuclear weapons in the Persian Gulf zone.

From the Editor's Office

Since the discussion's subject matter is of undoubted interest to the public at large, the newspaper intends in the near future to give a more detailed account of this sitting of the CPSU Central Committee Commission for Science, Education, and Culture.

CPSU Commission Discusses Women's Issues

PM1502170591 Moscow PRAVDA in Russian 1 Feb 91 Second Edition p 2

[TASS report: "Commission Session"]

[Text] A routine session of the CPSU Central Committee commission on women and family matters has been held. Questions connected with the organization of work among women in local party committees were examined.

The session participants paid special attention to problems of the upcoming USSR referendum and discussed the situation that obtains at local level in connection with it, stressing the important role of women in this major political campaign. The commission members also exchanged opinions on how to reflect women's interests more fully in the elaboration of the draft new CPSU Program.

CPSU Sociopolitical Panel Meeting Reported

PM0102115591 Moscow PRAVDA in Russian 31 Jan 91 Second Edition p 2

[Unattributed report: "On Work in the Soviets. From the Sitting of the CPSU Central Committee Permanent Sociopolitical Commission]

[Text] A sitting of the CPSU Central Committee's Permanent Sociopolitical Commission was held 30 January to discuss the concept of the report to the CPSU Central Committee plenum on Communists' work in soviets of people's deputies.

V.S. Babichev, deputy chairman of the commission and head of the CPSU Central Committee Department for Legislative Initiatives and Legal Questions, delivered a report on this question.

The exchange of opinions revealed the participants' great interest in seeking more effective forms and methods of Communists' activity in organs of state power. It was noted that parliamentary activity and Communists' work in the soviets are a fundamental issue in successfully exercising the CPSU's political function in the changed conditions. Communists' work in the soviets must be viewed in the broad context, in the context of resolving specific socioeconomic tasks with consideration for the processes taking place in society and the real alignment of political forces. While at the same time proceeding here from the premise that the CPSU is not a traditional parliamentary-type party. Its parliamentary activity must be organically combined with direct work among the masses.

Many commission members deem it advisable to analyze the development of our society's political system and answer questions on the place and role in it of the CPSU and other parties and public movements, and on the future of the soviets as organs of people's power and self-management. They also think it advisable to show how party and state organs' functions are in fact being separated and why the party has lost influence in many soviets, to set out the CPSU's stance on developing an effective vertical system of executive power, and to analyze critically the various concepts relating to questions of reforming the Soviet representative system.

The commission sitting discussed the main avenues and special features of party committees' work with Communists in the soviets and their executive organs. The speakers pointed out that Communist deputies must persistently master the art of parliamentary activity and really represent the party in the organs of people's power. They stressed the key significance of the fight for deputies' seats and the need to determine, taking heed of the lessons of past electoral campaigns, the party's tasks in connection with the upcoming elections. Ideas were voiced on the problem of cooperation between the CPSU and other sociopolitical forces.

In the opinion of a number of commission members, questions of the organizational and functional perestroyka of party organs should be examined in the light of the mastery of parliamentary methods of work and the need for constant attention to Communists' activity within the soviets. Problems of shaping people's political and legal culture and intensifying work to analyze theoretically the progress of political reform and generalize experience of the party's activity within the soviets were broached at the sitting.

The following took part in discussing the issue: V.G. Fedorov, first secretary of Zhitomir Ukrainian Communist Party Obkom [oblast party committee]; O.Ye. Kutafin, rector of the Moscow Law Institute; R.A. Medvedev, writer; Yu.I. Litvintsev, chairman of Tula Oblast Soviet of People's Deputies; V.Ya. Tatsiy, rector of Kharkov's F.E. Dzerzhinskiy Law Institute; I.M. Burachuk, sociologist at Chernovtsy Oblast's Krasnoilsk Wood-Processing Combine; V.N. Shved, second secretary of the Lithuanian Communist Party Central Committee; L.V. Galkin, general director of Moscow Oblast's "Zvenigorod" Production Association; and B.P. Guseletov, lecturer at the Sverdlovsk Engineering Pedagogical Institute.

V.A. Kuptsov, CPSU Central Committee secretary, moderated and addressed the sitting.

Kuptsov Meets Social Scientists

PM0602164791 Moscow PRAVDA in Russian 6 Feb 91 Second Edition p 2

[TASS report under the general heading "Meetings in Moscow"]

[Text] A meeting has been held at the CPSU Central Committee Social Sciences Academy between V.A. Kuptsov, secretary of the CPSU Central Committee, and the party aktiv, professors, and lecturers. It was devoted to the results of the combined plenum of the CPSU Central Committee and Central Control Commission, and the tasks of the academy's scientists in the light of the CPSU Central Committee resolution "On the CPSU's Position in Relations with Sociopolitical Organizations and Movements." There was thorough discussion at the meeting on a wide range of topical problems in the Communist Party's activity under the conditions of political pluralism.

CPSU Press Center Statement Protests Attacks

91UN0887B Moscow RABOCHAYA TRIBUNA in Russian 12 Feb 91 p 2

[Statement by the CPSU Central Committee press center: "He Who Takes Aim at a Journalist Takes Aim at Us"]

[Text] As you know, a month ago Ivan Fomin, editor of the Kaluga Oblast newspaper ZNAMYA, was killed by three point-blank shots. He was killed at work, in his office. Salatyn Askerova, a journalist from MOLODEZH AZERBAYDZHANA, was shot dead while on assignment. Her child became an orphan. The newspaper photographer Gennadiy Golovkov has been seriously wounded. Evil shots aimed at Aleksandr Nevzorov sounded twice in the dark of the night. TASS and the Central TV reporters have been beaten. Journalists have been physically abused in Moldova, the Baltics, Tajikistan, and in the Ukraine. Dozens of them are becoming victims of moral terror and lawlessness.

The CPSU Central Committee press center wants to make a decisive protest against the physical and moral terror unleashed by criminal elements and directed at journalists, against any violence against them, and against the persecution they are subjected to in the center and other locations. Cases of persecution and attacks on journalists, which have become more frequent, are nothing other than a blatant challenge to glasnost, democracy, and our renewal. Shots at journalists are shots at perestroyka and at the human dignity of our society.

In many ways the press helps to emancipate people spiritually, ensure their human rights, and enrich their individuality. It is evident that some people dislike this role of the press as it is being revived. There have been attempts to apply considerable pressure on press leaders who are known for their tough constructive stands. The persecution of journalists is more and more often bordering on barbarian anticommunism.

The CPSU Central Committee press center would like to express its deepest condolences to the relatives and loved ones of the dead journalists, as it shares the grief felt by their colleagues in the newspaper offices where they worked. At the same time the press center appeals to the range of Soviet people, asking them to raise their voices in the defense of the lives, rights, and dignity of journalists. The degree to which a society is civilized is determined in many ways by its attitude toward journalists.

Our society needs to be more tolerant. The same can be said of the press itself, and of our television and radio. All of us have to understand that nobody, not even under conditions of acute political struggle, has the right to cross the borderline beyond which information begins to be dangerous for human life, beyond which it causes violence against dissenters and aggravates relations among the people.

It is extremely important today to overcome the increase in mass bitterness and hostility. We need to understand each other. We need to avoid a repeat of the bloody experience of ethnic dramas which abound in the history of our country and whose first victims so often were those who had the courage to write or say something that others did not like.

The very death of our colleagues is calling on us to stop, to look back, to look for ways of achieving civil and ethnic concord in our country.

PRAVDA on Regional Secretaries' Conference

PM0102162591 Moscow PRAVDA in Russian 31 Jan 91 Second Edition p 1

[TASS report under the rubric "Conference at the CPSU Central Committee": "The Times Necessitate Energetic Actions"]

[Text] Questions of the CPSU's tackling society's pressing problems more energetically, organizing cooperation within all its structures, and mastering new experience of political actions were the center of attention at a conference of first secretaries of union republic communist party central committees and republic, kray, and oblast party committees in Moscow 30 January.

The conference was opened by M.S. Gorbachev, general secretary of the CPSU Central Committee. O.S. Shenin, CPSU Central Committee Politburo member and CPSU Central Committee secretary, delivered a report. He stressed that the party has of late taken important steps to consolidate its ranks, consistently upholding socialist choice, provoking a reaction from destructive extremist forces, along with a stormy upsurge in anticommunism and separatism. Under these conditions the party must stop underestimating its own capabilities and political strength.

Practical work must be centered on the immediate steps to overcome the critical socioeconomic and political situation in the country proposed by the country's president and approved by the Fourth Congress of USSR People's Deputies. It is a question of the democratic renewal of the Union, the transition to market relations on the basis of the immediate implementation of the program for economic stabilization and provision of social protection for the population, and the formation of an effective system of executive organs. These steps accord with people's expectations in the situation that has taken shape and there can be no further democratic movement in society without them.

The keynote speaker then dwelt on key questions of CPSU strategy and tactics to normalize the socioeconomic situation. A great deal here depends on cooperation with the soviets. Relations with the latter should be determined not by confrontation but by cooperation. Parliamentary work experience must be acquired vigorously. The party must have a mainstay within mass movements, trade unions, the Komsomol [All-Union Lenin Communist Youth League], and veterans' organizations, along with influence among workers and peasants and in women's organizations. It is hard to imagine fully-fledged CPSU activity without extensive backing for its policy from the intelligentsia. Communists' efforts must also be channeled into creating lasting, active, prestigious state power at all levels. Party committees have tremendous and difficult tasks to resolve in order to preserve and renew the Union and conclude a new Union Treaty.

Speaking about openness to cooperation with other political organizations and movements, O.S. Shenin stressed that the principles of this cooperation are legality, political methods, dialogue, debate, renunciation of force as a means of political struggle, and probity.

The following spoke at the conference: B.V. Gidaspov, first secretary of Leningrad CPSU Obkom [Oblast Party Committee]; V.Ya. Abayev, first secretary of Kamchatka CPSU Obkom; G.A. Posibeyev, first secretary of the Mari CPSU Republic Committee; M.M. Burokevicius, first secretary of the Lithuanian Communist Party (CPSU) Central Committee; N.A. Volodin, first secretary of Orel CPSU Obkom; A.P. Rubiks, first secretary of the Latvian Communist Party Central Committee; A.F. Kolinichenko, first secretary of Orenburg CPSU Obkom; Ye.S. Stroyev, CPSU Central Committee Politburo member and CPSU Central Committee secretary; A.M. Anipkin, first secretary of Volgograd CPSU Obkom; A.K. Myalits, first secretary of Kharkov Ukrainian Communist Party Obkom; I.A. Karimov, first secretary of the Uzbek Communist Party Central Committee and president of the Uzbek SSR [Soviet Socialist Republic]; N.V. Merzlikin, first secretary of Chita CPSU Obkom; S.A. Markarov, first secretary of Khabarovsk CPSU Kraykom [Kray Party Committee]; and V.V. Sekretaryuk, first secretary of Lvov UKrainian Communist Party Obkom.

M.S. Gorbachev addressed the conference participants.

CPSU Plan To Reappraise Yakovlev Report Denied

PM2301102691 Moscow PRAVDA in Russian 19 Jan 91 First Edition p 6

[A. Lopukhin article under the general heading "Dialogue" and the rubric "Telephone Call From the Editorial Office": "Retreat...from Reality"]

[Text] During the past few days the editorial office has taken several telephone calls. Perplexed readers have been asking: What is this ideological retreat on the part of the CPSU that those who call themselves democrats are referring to in their recent publications? What is this historians' conference being organized on the initiative of the CPSU Central Committee, when, allegedly, the conclusions of A.N. Yakovlev's report to the Second USSR Congress of People's Deputies on the political and legal assessment of the Soviet-German nonaggression treaty of 1939 are to be reviewed? What is more, the organization of this conference is being described as the most telling sign of the CPSU's ideological retreat.

It took only a short telephone conversation to answer these questions. The word "retreat" caused consternation in the CPSU Central Committee Humanitarian and Ideological Departments, as it had among our readers. As for the reports on the organization of a historians' conference designed to refute the conclusions of A.N. Yakovlev's report on the Molotov-Ribbentrop Pact, they have no basis in reality. Such an event is simply not mentioned in the plans of the party scientific establishments and academic institutes, and to talk about any CPSU Central Committee initiative to hold such a historians' conference is blatant disinformation.

This year sees the sad occasion of the 50th anniversary of the start of Hitler's aggression against the Soviet Union and of the Great Patriotic War. Historians will probably not pass this event by. However, it is hardly possible even to conjecture that Soviet and foreign historians will seek to dispute the resolution adopted by the Second Congress of USSR People's Deputies on the report of the Commission for the Political and Legal Evaluation of the Soviet-German Nonaggression Treaty of 1939.

The question arises: Why was it necessary to dream up this mythical conference with its unbelievable program? To set the CPSU and the Congress of USSR People's Deputies against one another? But this idea is doubtful even at first glance. After all, in December 1989 when A.N. Yakovlev spoke at the Congress of People's Deputies in his role as chairman of the commission to evaluate this pact, he was a member of the CPSU Central Committee Politburo, and naturally expressed the point of view of the CPSU leadership.

And so it is best not to believe rumors and fairy tales, even if they are appearing in the pages of certain publications. And if any doubts nevertheless remain, it is possible to resolve them quite simply. All you have to do is to pick up the telephone.

CPSU Officials Address Cadres' Study Course

PM1701132591 Moscow PRAVDA in Russian 16 Jan 91 Second Edition p 2

[Unattributed report: "Party Cadres' Study"]

[Text] A study course for secretaries of union republic Communist Party Central Committees and of republic, kray, and oblast party committees responsible for ideological work questions, and for directors of branches of the Institute of Marxism-Leninism, has ended at the CPSU Central Committee Academy of Social Sciences Institute for Improving the Skills of Leading Party Cadres.

The study course paid special attention to problems of the CPSU's ideological and political work while transitioning to market relations and the renewal of the Soviet federation.

Students examined the basic guidelines for economic stabilization, Communists' practical activity given the new production relations in the countryside, and key questions of the renewal of the CPSU's mutual relations with All-Union Lenin Communist Youth League organizations. There was a broad exchange of opinions on the CPSU's mutual relations with the new sociopolitical organizations and movements and on aspects of the ideological and political struggle in present-day conditions. There was an active and keen discussion on party organizations' collaboration with the creative intelligentsia, the central and local press, the radio and television.

During classes there were discussions of paramount and urgent questions of party organizations' work in the period of preparation for the referendum on problems of concluding the Union Treaty and the attitude to the private ownership of the land and the stepping up of Communists' activity in soviets.

Great attention was paid to the party masses' participation in elaborating the provisions of the new CPSU Program.

Students were addressed by A.S. Dzasokhov, G.V. Semenova, and Ye.S. Stroyev, members of the Politburo and secretaries of the CPSU Central Committee; V.A. Kuptsov and V.M. Falin, secretaries of the CPSU Central Committee; I.I. Melnikov, member of the CPSU Central Committee Secretariat; V.S. Babichev, chief of a CPSU Central Committee department; A.Ya. Degtyarev and V.I. Mironenko, first deputy chiefs of CPSU Central Committee departments; A.S. Sokolov, member of the Politburo and secretary of the Russian Soviet Federated Socialist Republic Communist Party Central Committee; R.G. Yanovskiy, rector of the CPSU Central Committee Academy of Social Sciences; A.M. Anipkin, first secretary of Volgograd Oblast party committee; and senior officials of the CPSU Central Committee.

Reaction to CPSU Draft on Dues Discussed

91UN0677A Moscow PRAVDA in Russian
8 Jan 91 Second Edition p 3

[Interview with G.G. Veselkov, chairman of the permanent commission of the Central Audit Commission "On Monitoring the Implementation of the CPSU Budget and Auditing Financial and Economic Activity," by V. Vladimirov; place and date not given: "Beginning With the Locals"]

[Text] **At the end of October PRAVDA published a draft of the "Instructions on Party Membership Dues and the Financial and Economic Activity of the CPSU Organization." Even a couple of years ago this document would perhaps have gone unnoticed. Indeed, what is there to discuss if everything is written out and determined above. Today the situation is fundamentally different. The power of the party masses is increasingly extending to the formation and implementation of the party budget. Hence there is considerable interest in the published draft. The editors asked the chairman of the permanent commission of the Central Audit Commission "On Monitoring the Implementation of the CPSU Budget and Auditing Financial and Economic Activity," G.G. Veselkov, to discuss the nature of the proposals coming into the CPSU Central Audit Commission.**

[Vladimirov] What bothers Communists most of all?

[Veselkov] The letters express their clear aspiration: The party organizations must be independent in solving financial problems. What is standing in the way of this? In the opinion of Yu.K. Todortsev, Odessa, it is the present system of forming the party budget. "First," he writes, "all the money is collected above, and only after that is it sent back down to the local units. This same mechanism is included in the draft of the new instructions. It should be the other way around to affirm the power of the party masses." Similar ideas are expressed in letters from O.S. Skvortsov from Moscow, V.N. Voloshin from Zaporozhye, V.A. Shashkov from Chardzhou, and many others.

What are they talking about? Communists think that the part of the membership dues intended for the local party organizations (up to 50 percent) should be transferred to their account immediately if it has a financial base, or to the party raykom [rayon committee] or gorkom [city committee] where the local has its own account. Now, as we know, all membership dues that are collected are sent to the corresponding obkoms [oblast committees], kraykoms [kray committees], or the Central Committees of the Communist Parties of the Union republics, and only after that are they distributed.

[Vladimirov] What do you think is the reason for these attitudes?

[Veselkov] Recently there was a roundtable discussion in the CPSU Central Audit Commission with the participation of secretaries of Moscow party committees, where they discussed these very problems. The discussion was fairly frank.

What did we hear from these people? I will discuss just two points.

First. Communists doubt that the dues are used in the interests of the entire party. One can understand why. After all, until recently the CPSU budget was practically a closed topic. And to this day there are many speculations, rumors, and conjectures surrounding it. You will agree that there is something here for us party workers and you party journalists to think about.

I will give just one figure that, in my view, tells a lot. Up to 90 percent of the income from the CPSU budget goes for the needs of local party organs and local party organizations.

Second. The party organizations do not like the role of supplicants. Some even think that they may be being done out of their fair share. The previous stereotypes of relations between the center and the local areas are probably having their effect. It will probably take time to overcome this mistrust. We need concrete steps to strengthen interactions among all party units.

I wish to say that the development of a new mechanism for the formation, utilization, and control of the CPSU budget has come to an end. Its essence consists of a radical expansion of the rights and the increased responsibility of party committees and local party organizations for the formation and expenditure of party funds. The draft of this document has been published for discussion.

[Vladimirov] What other questions are raised by the letter writers?

[Veselkov] For example, Communists M.M. Kombarov from Kotovsk in Tambov Oblast and A.G. Morozov from Rostov-on-Don suggest changing the scale for payment of membership dues. A.Ya. Samoylov from Magadan, N.I. Dazarev from Vobruysk, and many others insist that dues be paid from "net" earnings. There are suggestions to release pensioners and students from paying dues.

Judging from everything, the communists are not taking into account the fact that the congress has dealt with all these issues. The instructions are a kind of sublegal act. Not a single provision can contradict the CPSU Rules or the decisions of the congress.

[Vladimirov] The instructions include this entry: Communists may pay membership dues in amounts greater than those determined by the CPSU Rules. What is this, wishful thinking or could this really happen?

[Veselkov] Let me quote the letter from T.P. Podnosova, Pskov: "I receive a pension of 100 rubles [R]. My membership dues are 20 kopeks. I could pay R5 each month. There is no need to restrict the amount of the dues. The party needs material support today more than ever before."

Moreover, I personally know of people who continue to pay dues according to the former scale. Information about this comes in from the local party organizations. This decision was made, for example, by the communists of the party organizations of Kegenskiy Rayon in Alma-Ata Oblast. Of course, it is a purely voluntary matter. No coercion is allowed here.

An analysis of the mail shows that there are no trivial issues when it comes to payment of membership dues and the financial and economic activity of the party organizations. For example, what funds should be used to support discharged party workers of local organizations, should payments be made from disability pensions, whom should the party organizations trust to collect the dues—all these questions must be clearly set forth. Otherwise there are bound to be constant disputes, misunderstandings, and personal offenses.

Or take this issue. It is written in the draft instructions: When a party member is restored to the ranks of the CPSU while retaining his party tenure, the question of his payment of membership dues for the time when his tenure was interrupted is decided by the local party organization.

And here is the opinion of Communist S.Yu. Shein, Kazakhstan: "To collect membership dues (or even to raise the question of this) from individuals who are restored to the CPSU while retaining their tenure during interrupted period is penny pinching. The party recognizes its mistake and immediately starts to talk about getting dues from the victim! I do not understand how this passage made it into the draft at all.

[Vladimirov] When a letter comes to the Central Audit Commission, what happens to it next?

[Veselkov] All suggestions are carefully considered. One must say that the majority of them have been dictated by a desire to accelerate perestroyka in the party and increase the role of the local party organizations, and they deserve serious attention. This is what our permanent commission thinks. We expressed our opinion to the permanent commission of the CPSU Central Committee for updating the activity of local party organizations, that completed the work on the instructions. As we know, it included members of the CPSU Central Committee and Central Audit Commission as well as advisers. So there can be no question of any apparatus decision. Moreover the joint plenum of the Central Committee and the Central Audit Commission will have the last word.

Party Official on New Political Parties

91UN0673A Moscow RABOCHAYA TRIBUNA in Russian 8 Jan 91 pp 1-2

[Article by Igor Zaramenskiy, deputy head of the Department for Ties With Sociopolitical Organizations of the CPSU Central Committee: "The Problem of Uniting Forces: How To Overcome the Arrogance of Spiritual and Political Absolute Rule"]

[Text]**The article "Where Are You Dashing to, 'Flying Troika'?" (RABOCHAYA TRIBUNA 17 October 1990) discussed the difficult process of establishing a multiparty system in our country and the program goals and tactics of several of the new parties. Today we discuss the formation of political blocs and coalitions—the next natural phenomenon in the political life of society.**

That Which Is Not Understood Seems Dangerous.

The "average" Soviet citizen is not troubled as much by the collapse of the consumer market as he is by the political instability in society. He is not accustomed to pluralism without boundaries. He is frightened by the unusual shades of the political spectrum and the muffled peals of far-away thunder. To some people our political life presents itself in the form of a seething steam boiler around whose fire box, in the absence of an engineer, too many busy stokers are fussing.

As a result, there is a tremendous need to stop and analyze what is taking place. Perhaps the thing in the greatest need of sober analysis is the process of establishing a multiparty system. Parties are springing up like mushrooms after a warm rain, including the most exotic parties—such as the Information Party or the Libertarian Party (sexual freedom) of Yevgeniy Debryanskiy. Their appearance sometimes takes place not as a result of the interests of specific social groups or sectors of the people but merely because of the ambitions of the leaders.

But on the whole political pluralism is a fully objective social manifestation, the result of numerous economic, social, and political human interests, that, under market conditions, will be still more varied. In our party environment we should accustom ourselves to this and not look for deliberate enemies in every example of heterodoxy.

Let us recall that it began with the appearance of numerous associations, clubs, and cells that were often noisy and bombastic, and their political shadings were hard to distinguish. Three or four years ago everyone called them "informal" movements.

The following 18 months to two years could be designated the second stage in the establishment of a multiparty system—the birth of political parties. The social forces in the Baltic region passed through this stage fastest of all. The strongest factor in this instance was the idea of nationalist rebirth. A tactical aspiration also played a great role—to hide true political goals under slogans "in support of perestroyka." Now, of course, everything has come out into the open, but two years ago the leaders of "Sajudis," for example, did not risk calling upon the people to secede from the USSR and return to bourgeois ways.

The example of the Baltic sociopolitical formations was a great influence on other republics—Moldova, Georgia, Belorussia, the Ukraine, and the Russian Federation, where the formation of people's fronts, associations, and all types of associations also began. As a rule, the electoral associations of the so-called "democratic forces" organized themselves well and had a substantial influence on elections to the republic supreme soviets and local organs. Their unity in nominating and supporting their candidates for deputy and the bitter struggle with their rivals—from the "apparat"—were at the base of their success. Criticism and protest played a reliable role in particular. The entire socioeconomic and political crisis contributed to this—constructive discussion breaks down on the universal disbelief of the masses.

In the course of the election campaign the political interests of the various groups were highlighted, permitting their organizational formation. A flood of various political programs, statements, and appeals of new parties of the widest possible political spectrum—from monarchist to orthodox communist—literally washed over society.

It is believed that the CPSU, when it proposed to abolish Article 6 of the USSR Constitution, did not expect political and ideological pressure of such force. One must not take a simplistic approach to the increase in the number of new parties—unable to make their appearance, a number of them declared themselves irreconcilable enemies of communist ideology and of the CPSU. The perestroyka motif and the optimism of creation disappeared from their banners, and demands that the CPSU be swept from the political arena began to predominate. Whatever else may be said, we have studied destruction and always practice it with genuine ardor, especially when it comes to the matter of persecuting our ideological rivals.

Especially consistent in their repudiation of "everything communist" are the leaders of the "Democratic Union," V. Novodvorskaya, and of the Russian Democratic Party, N. Travkin, Hero of Socialist Labor, USSR people's deputy, and former Communist. Behind all their intolerance, unfortunately, nothing appears but prejudice against the authorities. But it is just this blatant hatred that frightens people off.

The majority of the new parties are not large in size—from several dozen people to several thousand—and they do not have deep roots in the people. Only the Russian Democratic Party and the Republican Party, recently formed on the foundation of the "Democratic Platform" that left the CPSU, count 20-30,000 people in their ranks. On the whole, the question of a transfer of power practically does exist for the CPSU at all.

First, this is because the newest political organizations are not prepared for it: It is one thing to criticize, acquiring preelection capital, and another thing to take upon oneself the enormous responsibility for a region or the country and for the daily needs of millions of people. Second, despite all the moral defeats of recent years, the CPSU still enjoys trust among the people. It has not crumbled, as some expected. The decisions of the 28th congress to remove the strict vertical and horizontal ties inside the party turned out to be very timely—it gives Communists the opportunity to conduct a flexible policy, to be more free in the choice of tactical methods for the struggle, and to avoid the syndrome of centralization of command.

But if a critical evaluation is to be made of the situation, one cannot say that we are "in complete command." Instability in society literally demands practical interaction between the CPSU and those political forces that are in favor of pulling the country from its crisis. The logic of social development has led us to a third stage in the process of establishing a multiparty system—to a deliberate formation of blocs of forces.

Cooperation or Confrontation

Both the mighty Communist Party and the newly arising sociopolitical organizations are becoming acquainted with the science of life, identically and from "scratch," under conditions of ideological and political pluralism. They are learning the art of compromise and formation of blocs of forces. With our still relatively weak social stratification and the congruency of the basic interests of all the people—to lead the country from its crisis—there are still objective bases for broad social agreement.

Unfortunately, the arrogance of spiritual and political monopoly in our country has not been overcome. The idea of devising a political document about CPSU attitudes toward parties will not surmount the doubts and fears for our ideological purity.

A second question: Do our political partners want public harmony? There is no one response to this question either. Many are "in favor" of it, but there is also another reality: Nationalist and separatist moods directed at the collapse of the USSR have developed. The anticommunism that was stirred up has broken out into the open. It will be dangerous if it changes from an ideological current into a political movement and leads to irreconcilable opposition.

G. Popov points out this danger quite justifiably in his article "What Is To Be Done?...," believing a "coalition between democrats and the apparat" to be the best way of getting out of the crisis. But the fact must also be realized that it is precisely the democrats, under the banner of a struggle against the "totalitarianism of the CPSU," that show intolerance and appeal for a "conservative wave."

Recently political blocs of various shades have been declaring their existence. In the Ukraine it is the "Interparty Assembly," that sets a goal of achieving state independence and abolishing the social system in the republic. In Georgia the "Round Table—Free Georgia" bloc of parties came to power as a result of elections. Its goal: The republic should reject every Soviet and socialist and achieve complete state sovereignty.

At the same time, in Moscow, 16 political parties and organizations have signed an Interparty Political Agreement on mutual actions to halt interethnic discord, in favor of a draft of a new Union treaty and laws on conducting national referendums, and on general elections on a multiparty basis. In Kemerovo more than 30 sociopolitical organizations, including some that just recently were "irreconcilable"—the council of workers' committees, the CPSU obkom [oblast party committee], and the Russian Orthodox Church—concluded an agreement under the aegis of the oblast soviet concerning mutual actions to pull the oblast from the crisis and to move to a market economy.

Time will show which tendency will eventually win out, confrontive or constructive. But the process should not be allowed to take its own course or it will lead to the chaotic collapse of society. The creative intelligentsia, the working class, and the peasantry are beginning to acknowledge this. Undoubtedly their interests will have a decisive influence on the regrouping of political forces taking place.

A Demand for a Multiparty System

A key point in the history of our multiparty system was the appearance on the political scene of the Interregional Group of Deputies (MDG), created at the first USSR Congress of People's Deputies. It played the role of catalyst and an axis formed around an opposition bloc of parties. It is difficult to exaggerate the power of a bloc of parties and deputies of soviets of all levels rigidly united by such an attractive goal as power.

Victory in the elections in Moscow and Leningrad of the preelection "Democratic Russia" council, its conquest of a substantial number of deputy's posts in the Supreme Soviet of the RSFSR [Russian Soviet Federated Socialist Republic], and the election of B.N. Yeltsin as chairman of the Supreme Soviet put the supreme organs of the republic under control of the MDG for practical purposes. The opportunity arose to form a powerful political bloc within the bounds of the republic. It became "Democratic Russia." Its leadership organs and "shadow cabinet" were made up of already famous figures of the democratic movement: G. Popov, Yu. Afanasyev, I. Zaslavskiy, A. Murashev, L. Ponomarev, V. Lysenko, O. Rumyantsev, and V. Bokser.

"Democratic Russia" is already a serious and far-reaching political concept. The bloc united "democratically-minded" deputies, many new parties, and influential social councils like "Memorial," "Aprel," and "Shchit." Substantial intellectual forces are concentrated in it. Its appearance is a genuine demand for a multiparty system.

However, what kind of ideological and constructive program is the new political bloc bringing to the people? It would seem that the program is a conglomeration of political and ideological banalities that do not attract anyone. Nonetheless, they cannot serve as the basis for a "coalition between democrats and the apparat."

The constant refrain of almost all the speeches at the constituent congress of "Democratic Russia" was the cry, "Down with..!": Down with the CPSU and the apparat, down with the Gorbachev-Ryzhkov government (and, consequently, their policies), down with the USSR Constitution, down with the USSR Congress of People's Deputies and Supreme Soviet... Very emotional, but completely unproductive.

And one more Russian phenomenon has appeared, one that is historically peculiar to us, apparently—the craving for a "boss." Ye. Bonner, widow of Academician A. Sakharov, categorically spoke against it: Either you are a truly democratic movement or you are a crowd, rolling along like a ball from one cult to the next.

Of course, the congress, with all its devotion to high-sounding phrases, made certain proposals: On the creation of a coalition government, on support of the 500 days program and political reforms on the basis of a draft Constitution of the Russian Federation, and on nominating B. Yeltsin for the presidency of Russia... In the event of an infringement of the rights of the republic, "Democratic Russia" declares that "it will consider its first task to be the secession of the Russian Federation from the USSR."

An analysis of the contents of the documents of the congress is not pertinent to these articles, but it should be noted that the tasks put forward by them cannot count on the broad support of the people at the present time: Even among the specialists there are few who are familiar with the 500 days program. (And can a voluminous economic tract serve as a slogan?)

The draft of the constitution of the Russian Federation also demands national examination. Incidentally, it excludes things that the people will find it hard to do without: Dear to our peoples are Soviet and socialist content and the USSR.

No longer do the democrats themselves recall the political strike and the acts of disobedience: A rally scheduled for 100,000 people collected no more than 1,000. People are tired. They are waiting for deeds, not rallies.

Starting Down the Road

In short, we need the kind of daily, quiet work aimed at satisfying the daily requirements of people—the kind that many of the new political figures do not like. Laying in vegetables also has its place in politics, and it should not be despised once you have started down the road of power. In brief, the threat to democrats of "losing face" comes not so much from outside as from their inability to organize the life of the regions, cities, and villages, as well as from their surrender to the old bureaucratic sin of corruption. The press is raising more and more questions concerning trips abroad paid by benefactors from foreign firms. Memberships by the leading deputies on the boards of private-state and joint enterprise are quite profitable but offer the country little. There are questions concerning foreign publication of books that are not very profound, but are paid for in hard currency. Concerning all types of "aid" coming from cooperatives, writer's unions, and foreign friends to "democratic organizations and parties," resulting in scandals flaring up in both.

The CPSU must be given its due. Although its own representatives did not avoid these same sins in the past, it had a mechanism for moral control and from time to time it severely disciplined communist bureaucrats who had yielded to weakness. The democratic novices, not being subject to such a mechanism, "bite" at the bait.

Despite all this, "Democratic Russia" has a real opportunity to become a serious political actor in the process of perestroyka, a constructive opponent, or a participant in a "coalition."

Not long after it was formed, the "Democratic Russia" bloc received access to the supreme organs of power in the person of several hundred people's deputies of the USSR and the RSFSR and of the krays, oblasts, and republics of Russia. The powerful mass media are now in its hands. Most importantly, it is supported by the people's expectation that it will quickly overcome the crisis.

It seems to us that it is precisely within the "Democratic Russia" bloc that there is the greatest chance for real parties to grow, parties that will become future constructive opponents of the CPSU in a renewed society so long as they do not go chasing after chimeras.

Economic Crime Chief Denies Corruption Charge

PM1102161591 Moscow IZVESTIYA in Russian 8 Feb 91 Union Edition p 4

["Letter to Chief Editor" from V. Runyshkov, chief of the USSR MVD BKhSS Main Administration: "BKhSS Department Personnel Disagree"]

[Text] Replying to questions from correspondents Ye. Zhbanov and Yu. Feofanov in the interview "What Laws Await Us" in IZVESTIYA No. 26, Dr. of Juridical Sciences Yu. Kalmykov, chairman of the USSR Supreme Soviet Committee for Legislation, said "...that it is bitter to admit that BKhSS [Struggle Against Embezzlement of Socialist Property and Speculation] cadres do not instill confidence—they are corrupt in many ways. This entire service has already been allocated cushy jobs, as it were." That assessment gave rise to numerous telephone calls and comments directly to the leadership of the USSR MVD [Ministry of Internal Affairs] BkhSS Main Administration.

Without entering into polemics with the chairman of the USSR Supreme Soviet committee over the validity of that publicly made assessment, I report that during 1990 just eight of the service's 31,000 personnel were convicted of criminal bribetaking. At the same time they were all exposed on the initiative of service staffers in the process of investigating specific criminal cases.

Yu. Kalmykov's unsubstantiated statement—and it is precisely of such a nature—does not help to activate the struggle against economic crime in the country. Such accusations serve the interests of the slick operators in the shadow economy who want to eliminate the service for combating economic crime.

It is hard to say how Yu. Kalmykov, who gave the interview, perceived the decision to combine the efforts of the MVD and the KGB in monitoring the safekeeping of humanitarian aid consignments, but the chief reason that prompted our proposals for joint work was that it was necessary to ensure continuous monitoring of the movement of freight from the border to its distribution point.

International Fund Established To Combat Crime

LD1101215991 Moscow TASS International Service in Russian 1730 GMT 10 Jan 91

[By TASS correspondent Igor Peskov]

[Text] Moscow, 10 Jan (TASS)—Uniting the efforts of international and Soviet bodies of law and order and of organizations and individuals in the cause of combating organized crime is the aim of the "Sovevropol" international fund that has been set up. The presentation of the fund, a non-governmental organization, will operate within the framework of the international association of business and cultural cooperation "Cooperation of Sons and Daughters of the Fatherland," was held in Moscow today. The leading bodies in the fund are in the principality of Liechtenstein and in the Soviet capital.

The chairman of the fund's organizing committee, Aleksandr Gurov, head of the directorate for combating organized crime of the USSR Ministry of Internal Affairs, reported that the fund's tasks also included rendering financial and material support to the sub-units involved in combating organized crime, to their staff and the members of their families. "Sovevropol's funds are formed of the dues and donations of organizations, firms, enterprises, and individuals will be used for the technical requipment of the sub-units conducting the fight against criminals, the organization of an exchange of work experience and tuition and work attachments abroad for the staff of the bodies of law and order and the reception of foreign colleagues in the USSR.

Vladimir Petrovskiy, USSR deputy minister of foreign affairs, who took part in the presentation, noted that the emergence of such an organization is no ordinary event since issues that were formerly exclusively under the jurisdiction of state bodies in our country are being brought out onto the level of specific international public cooperation. He expressed the conviction that this initiative will serve the cause of consolidation of efforts to oppose the Mafia both in our country as well as on an international plane, since combating crime, like resolving other global problems, requires collective efforts. "State frontiers do not exist for organized crime. It undermines the economic stability of states and encroaches on the bases of public life," Vladimir Petrovskiy noted. "Perestroyka in the USSR has permitted us to understand this danger, and therefore the Soviet bodies of law and order ought to learn a great deal from their foreign colleagues. Alongside the specific tasks of combating crime, he stressed, the aim of the fund is seen as somewhat deeper: on the whole to promote the recovery of the morals of Soviet society.

For his part, Sergey Stankevich, deputy chairman of Moscow City Soviet, who was present at the ceremony, said that the growth in crime had become one of the most acute problems in the Soviet capital. He expressed the hope that "Sovevropol" will render assistance to Moscow's authorities in solving it, and they, in their turn, intend to make a payment to the fund's account in the near future.

MVD Chief Interviewed on Decree Against Crime

LD0702110191 Moscow Domestic Service in Russian 0030 GMT 7 Feb 91

[Interview with Militia Colonel Aleksandr Ivanovich Gurov, chief of the Ministry of Internal Affairs main directorate for the struggle against the most dangerous crimes, organized crime, corruption, and drug trafficking, by correspondent Anatoliy Fedorov, on 5 February; place not given—recorded]

[Text] A decree of the USSR president on measures to intensify the struggle against the most dangerous crimes and their organized forms was published on 5 February. It was deemed expedient to set up within the USSR Ministry of Internal Affairs [MVD] a main directorate for the struggle against the most dangerous crimes, organized crime, corruption, and drug trafficking. Our correspondent, Anatoliy Fedorov, has interviewed Militia Colonel Aleksandr Ivanovich Gurov, chief of the main directorate.

[Fedorov] Aleksandr Ivanovich, as we know, the sixth directorates and the department for combating organized crime were set up within the USSR MVD more than a year ago. As we know, they have yielded certain dividends in the struggle against organized crime, corruption, and the drugs mafia. Now the president has issued his decree.

[Gurov] Those sixth directorates which you mentioned had very few staff. They were manned by men seconded from other services and so forth. So, this was really a gesture toward (?fashion), although of course in Dnepropetrovsk and Moscow Oblasts and in a number of other oblasts these directorates showed that they were efficient and effective. But there was no centralized service. Any country in the world which has a problem with organized crime of the Mafia type has to have an organized system to combat it. We did not have such an organization. Our directorate was a bit like a head without legs. All our attempts during 1988-89 to create a centralized service along the lines of the FBI, for instance, were abortive. Now the president has issued his decree.

To be honest, we have long been waiting for such a thing. Today I received congratulations from Riga, Dnepropetrovsk, other republics, and Moldavia. People are simply delighted by this decree. Why? Because this is a fundamentally new step in the struggle against crime in general—in other words, its new spiral of development—and against organized crime in particular. This decree transforms our small sixth direcorate into a main directorate for the struggle against organized crime, drug trafficking, and corruption. It defines our functions and tasks. The decree defines the tasks both of our main directorate and of our local detachments. These will be interregional and regional detachments. By the way, two interregional detachments have already been set up. They are already at work. These are in Central Asia. In this respect the decree defines our tasks as the exposure of major criminal structures which have interregional, international and interrepublican ties of a corrupt nature.

Today's presidential decree defines a completely different structure. At the top ofthe structure there is the main directorate for the struggle against organized crime, corruption, and drug trafficking. Of course, we will have another 200 men because 80 men is a pitiful number. Regional detachments are being set up in the provinces. A decision of the congress, the Second Congress of People's Deputies, provides the legal basis for this. There is also a decision by the Council of Ministers, and so forth. This also envisages a dual subordination. In other words, these regional and interregional detachements are subordinate to us and to the local minister. Incidentally, we have been unable to reach agreement with Russia on these regional detachments. It seems as though Mother Russia has decided to struggle against worldwide organized crime on her own.

But I think everything will work out. After all, it is not a question of who is subordinate to whom. What counts is this centralized collection of information, centralized coordination of operations, when a gang commits a large number of crimes and operates in five different territories, for example. Who is going to deal with this? Of course, we have to step in here and coordinate, directly working on this gang.

That is why this document is so fundamentally important.

[Fedorov] In itself the presidential decree is, as they say, a progressive document and much needed at this time and in general. Nevertheless, any decision always has to be reinforced and supported materially with resources.

[Gurov] That is why the presidential decree says that an application for material incentives and (?analytical), operational and other equipment should be made within a month. This can be done.

[Fedorov] Aleksandr Ivanovich, I wish you and your colleagues good luck.

Former KGB Major General Interviewed

PY1402160091 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Feb 91 A-7

["Exclusive" interview with Soviet Deputy Oleg Kalugin, former KGB major general, by FOLHA DE SAO PAULO reporter Jaime Spitzcovsky in Moscow; date not given]

[Text] [Spitzcovsky] Is the U.S. CIA beginning a campaign to recruit more agents in the USSR?

[Kalugin] What for? Gorbachev has destroyed the Warsaw Pact and dismantled the monolithic layer of the CPSU. What agent would have been able to do so much?

[Spitzcovsky] What influence does the KGB currently have over President Gorbachev?

[Kalugin] The KGB has a great deal of influence over him because it has become Gorbachev's main source of information on domestic and foreign issues. There are other sources of information on foreign issues, such as the Foreign Ministry and the TASS Press Agency, but in the USSR the KGB is still the main source of information because local party committees—which also serve to supply information to Gorbachev—are losing control over events and sinking. The local soviets sometimes work with Gorbachev and other times simply ignore him. This is why Gorbachev's view of what is happening in the country is the KGB's view, which is deplorable. The KGB is a conservative organization that is trying to protect what still remains of the old ideology. He knows more about the black market than the democratic movement because, for obvious reasons, the KGB gives him information out of context.

[Spitzcovsky] In your opinion, how are Gorbachev's relations with the military?

[Kalugin] I believe the highest-ranking Army leaders are loyal to Gorbachev, but there are no monolithic tendencies in that. I believe younger officers are very dissatisfied with presidential policy. The KGB continues to be the most faithful arm of the CPSU and Gorbachev.

[Spitzcovsky] If there were a military coup, would the KGB be in a position to defend the president?

[Kalugin] No, the KGB is not is a position to do that. It has strength in the field of communications and some power in the Armed Forces, but this cannot be compared to the strength of the Army. There is the Romanian example: Although the Securitate strongly resisted, it was defeated. It was demolished by the Armed Forces.

[Spitzcovsky] Are KGB agents affected by the Stasi syndrome? Are they afraid they will meet the same fate as did members of the former GDR secret service?

[Kalugin] Yes, many KGB personnel are afraid of what is going on in the country. They fear the possibility that the people will turn against them, as has occurred in the GDR and Romania.

[Spitzcovsky] What is the KGB doing to avoid a fate similar to that of the Stasi?

[Kalugin] It has been trying to create a new image through public relations work. It wants to convince the people that the KGB is no longer what it used to be. It tries to appear to be better than it actually is. It is always hiding and carrying out actions behind the scene. The KGB's fingerprints are on everything now taking place in the Baltic countries, Armenia, and Georgia, because the KGB is helping local parties in their efforts to recover their previous power.

[Spitzcovsky] Is the KGB still infiltrating the so-called democratic and separatist movements in the USSR?

[Kalugin] You remember that ministers and officials of the last GDR administration were members of the Stasi. Well, the USSR was the GDR's older brother. Everything that occurred there has begun here, although the size of the operations vary.

[Spitzcovsky] What differences are there between current KGB Chairman Vladimir Kryuchkov and his predecessor, Viktor Chebrikov?

[Kalugin] Chebrikov was an old-fashioned CPSU "apparatchik," just like Kryuchkov. Although Kryuchkov is more flexible, there is no basic difference between the two.

[Spitzcovsky] Kryuchkov made a speech in December warning the people against increased activity by Western intelligence services, which are the USSR's "enemies." Was he being an alarmist, or is this the truth?

[Kalugin] The CIA and the British intelligence services are naturally operating in the USSR. This activity increases in times of uncertainty because the agents' governments want to know about the possible results of the turmoil. Kryuchkov was right when he said that these services are increasing their activities to gather information and transmit it to their governments. I see no reason to make a big deal about that.

[Spitzcovsky] Did the KGB change its modus operandi with the end of the cold war? Is it allotting more resources to economic rather than political ends?

[Kalugin] Theoretically yes. But the technological "know-how" [preceding two words in English] for its activities is still there. The number of agents inside and outside the country was not reduced.

[Spitzcovsky] Did perestroyka have any influence on the KGB?

[Kalugin] No, it did not have any influence, except for one aspect: KGB personnel are afraid of change because they do not know what to do. Some of my friends are simply abandoning the organization. The KGB remains totally loyal to the CPSU. It is loyal to Gorbachev now more than ever before. The new structure of the executive branch states that the president is also chief of the security forces. This means Kryuchkov is in practice a Gorbachev adviser.

[Spitzcovsky] When did you decide to criticize the KGB?

[Kalugin] It was not a very easy decision. I gave it a lot of thought. I was a young and loyal Communist when I joined the party. Our generation believed in communism, in a better future for our country. After Brezhnev, Andropov, and Chernenko it was obvious that nothing was going to change.

Then perestroyka entered the scene, and it made me remember 1956, when we thought reforms were imminent. I was one of the most ardent Gorbachev supporters in 1985. I thought perestroyka was a serious proposal.

In Leningrad a little later, I observed a lot of corruption among party leaders and officials. I wrote a letter to the CPSU Central Committee protesting the situation. They sent a committee to investigate me, not the people I had accused. I was immediately summoned to Moscow and Chebrikov told me: If you write again I will expel you.

I then wrote a letter to Gorbachev. I said: "Listen Mikhail Sergeyevich, if you seriously believe in perestroyka you must begin to make profound political and economic changes and you must take political power away from the KGB as an instrument of the party, because it uses this power to impose its will on the people." I did not receive any reply from Gorbachev. I then wrote some articles in the Soviet press. I soon turned 55 and I was forced to leave the organization. I began my public life by defending the same points of view I had held for five years, but through other means.

[Spitzcovsky] Do you think you will be able to recover your license, decorations, and pension and the dacha that the Kremlin took away from you?

[Kalugin] Nothing has happened yet, but I know the law is on my side. It is a test of Soviet justice.

[Spitzcovsky] Does the KGB want to kill you? Have you received death threats?

[Kalugin] No, nothing serious. I have been followed; they put a tail on me. In Krasnodar I am always given the same hotel room, always. I asked them why they don't change my room, but I think there is a microphone in that room. Outside Moscow there is less elbowroom, less equipment. They also try to block my access to the Soviet press. I have given several interviews but not one line has been published.

[Spitzcovsky] How did your career with the KGB go?

[Kalugin] I joined the KGB in 1958 after taking preparatory courses. When I was a lieutenant I was sent to the United States under cover as a journalism student at Columbia University in an academic exchange program. A year later I came back and was assigned to the State Radio Committee. A few months later I was again sent to the United States as a Radio Moscow correspondent at the United Nations, a position I held for four and a half years in New York.

[Spitzcovsky] What did your work consist of at that time?

[Kalugin] I was in charge of gathering information on the White House, Congress, the Pentagon, the CIA, the FBI, large companies producing technology, and political parties.

[Spitzcovsky] After that you headed the KGB in the United States, right?

[Kalugin] I returned from New York to Moscow and was then sent back to Washington, where I stayed for five years as first secretary of the Soviet Embassy between 1965 and 1970. I was in charge of media relations and also the chief of the Soviet intelligence service in the United States.

[Spitzcovsky] Did you meet with Brazilian diplomats at that time?

[Kalugin] No, but obviously, if we could maintain relations with a foreign diplomat, for example a Peruvian or a Brazilian diplomat, we tried to recruit him. I, however, was not personally involved in those operations. Soviet diplomats in the intelligence service who could speak Spanish, however, tried and succeeded in recruiting some Latin American diplomats.

[Spitzcovsky] Any Brazilians among them?

[Kalugin] I cannot remember. That happened too many years ago.

[Spitzcovsky] How was the work with Latin American diplomats at that time?

[Kalugin] It was relatively easy to recruit them because of the military regimes in Brazil, Argentina, and other countries. At that time it was possible to find people with democratic ideas—diplomats included—who were willing to help the USSR with information.

[Spitzcovsky] How did that recruiting process work?

[Kalugin] You have to find a person who is willing to help and establish a friendly relationship with him. You should then offer to work jointly for peace or a noble cause. Sometimes you offer money, and everything then becomes a financial deal.

[Spitzcovsky] Was it more difficult to be a spy in the United States at that time?

[Kalugin] I think it would be much more difficult today. The work today involves commercial transactions. You give me information and I give you money. In addition, there is the problem of the countless desertions to the West. Many people are afraid and do not want to deal with us because they are afraid of what might happen to a KGB agent. When I tried to recruit a CIA agent, he said: OK, I am ready to cooperate with you, but your organization is very unsafe.

[Spitzcovsky] How were the relations between the KGB and Soviet leaders from Khrushchev to Gorbachev?

[Kalugin] Khrushchev was the first to raise his hand against the KGB. He reduced the size of the organization and stripped it of some of its operational powers. Brezhnev, on the contrary, returned power to the KGB at Andropov's request. Gorbachev did not do anything to change the KGB with respect to the situation under Brezhnev and Andropov. What he did do, however, was ban the imprisonment of people for political reasons, and this is obviously an essential change. Yet the organization remains untouched.

[Spitzcovsky] What is your opinion of Gorbachev?

[Kalugin] I supported Gorbachev even when he eliminated my powers. I thought he was making a mistake, under the influence of Kryuchkov. Until very recently I still had confidence in him. But after the events in the Baltic region and his latest decrees, I have lost all confidence in him.

Popov Assailed for Seeking 'Dictatorship'

PM2002110591 Moscow PRAVDA in Russian 13 Feb 91 Second Edition p 3

[Professor V. Sokolov article under the rubric "Continuation of Theme": "From Power of Soviets to 'Democratic Dictatorship'?"]

[Text] Moscow—"The perestroyka of a society which has come into being in an unnatural manner cannot rest on the internal forces of that society. It inevitably comes to it from outside." G. Popov.

"Communism turned out to be Russia's inevitable fate, an intrinsic element of the Russian people's fate." N. Berdyayev.

PRAVDA has already touched on the notorious article by G. Popov which essentially, as its contents show, was the program document of "democratic forces". Nevertheless, it seems to me that Dr. of Philosophical Sciences V. Vazyulin's weighty article on this topic ("Discussion Sheet" No. 76) touched on only one aspect of the issue. In this connection I consider it necessary to continue the discussion and I will try to give my own appraisal of G. Popov's article from the viewpoint of the current confrontation among political forces in the country.

You would think that a perspicacious person would perceive the motley kaleidoscope of the country's political events, interethnic clashes, the destruction of the economic mechanism, and the orgy of mindlessness and devilry increasingly clearly as a carefully thought-out, competently organized, and consistently executed plan to destroy not only our social system and the very idea of socialism, but the Russian state itself, which has existed for centuries on one-sixth of the planet.

There were quite a few revelations on this theme in our press, but, as a rule, they were in the form of casual remarks or slips of the tongue. But, for reasons which can be guessed with certainty, G. Popov publishes in the name of democratic forces a program for the concluding (as he sees it) phase of perestroyka, in a massive print run (250,000 copies at 2 rubles apiece). I do not doubt that this is precisely a program and to a large degree a summation of the results of the "work" of those selfsame forces, and not merely G. Popov's personal opinion. It is enough to remember that the main theses of this program were set out by G. Starovoytova in her speech at the Second (Extraordinary) Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies. Yu. Afanasyev, one of "Democratic Russia's" leaders, spoke from a similar standpoint at the RSFSR Supreme Soviet session of 21 January 1991.

What are we told to do?

According to G. Popov, perestroyka can only be completed if in the coming two to three years we succeed in implementing simultaneously or in some specific order three slogans, three tasks: denati[illegible]ization, desovietization, and defederalization.

Denationalization, or the now overused word "privatization," means the redistribution of 80 percent of state property into private ownership.

Desovietization is the replacement of Soviet power, which is fit for nothing, by a "special regime of strong executive power."

Defederalization is the formation, by means of some referendum mechanism, of "30, 40, or even 50 independent states" in place of the USSR, largely on an ethnic, national basis, naturally accompanied by the revision and redrawing of all existing borders. These states may form various unions (there are many options—Russian, Slavic, territorial and other unions—but there is no room for a common, united Union, replaced by a military coalition and an economic association lacking any kind of center—G. Starovoytova's choice).

This whole plan could be seen as mere gibberish were it not for the fact that its authors were people who by the efforts of the mass media have been made the "main foremen" of perestroyka.

I will begin by saying that the problems and contradictions accumulated in the country by 1985 objectively and urgently demanded fundamental changes in the whole tenor of our way of life and manner of thinking. The enduring historical contribution of M.S. Gorbachev and the country's political leadership of that time was not only that they realized this objective necessity and requirement, but that they resolutely set out on the path of renewal. So regrets about the vanished setup are ridiculous, but at the same time it is stupid and unscrupulous to charge all those who see the present collapse with conservatism and devotion to preperestroyka times and ways.

The present condition of our country and society is the result, on the one hand, of the contradictions and problems we created in the preceding decades, and on the other—we will be blunt—of the often incompetent, inconsistent policy of the country's leadership, which led not to the resolution of these contradictions and problems, but to their still greater exacerbation. You cannot help but see that the very "forces from outside" which G. Popov calls on to complete the perestroyka of a "of a society created in an unnatural manner" are making skillful use of this.

But what of the conscious, subjective executants, so to speak? Who are they? Who serves as an instrument in the hands of the authors of works such as "What Is To Be Done?" by G. Popov? And what specific form do their activities take?

Sad though it is to confess, the present RSFSR Supreme Soviet leadership, which relies on the tiny majority, but majority nevertheless, majority of "Democratic Russia" faction supporters in parliament, is very intensively facilitating the realization of these plans and schemes. Politicians should be judged not by their statements but by their actions (B.N. Yeltsin's Tallinn statements and appeals opened the eyes of many people to his real intentions).

Here are extracts from Yu. Afanasyev's aforementioned speech: "The 'Democratic Russia' movement supports the Russian Supreme Soviet's basic line aimed at a beginning to build new relations between the peoples of Russia and other republics..."

Everything would be wonderful (who is against new relations when the old contained so many contradictions?!) were it not for G. Popov's "What Is To Be Done?" which reveals the essence of these "new" relations! Even Afanasyev calls on us to "approve the steps which Boris Nikolayevich Yeltsin has taken recently on behalf of the Supreme Soviet (?) and Presidium," including the "start of the building of Russian armed forces."

Today the advocates of "new" relations are doing their utmost to disown this idea: We were misunderstood, they say. It is understandable why they are doing this. After all, it is clear to any remotely thinking person that the creation of republic armed forces, especially Russian armed forces, would spell the end of the USSR as a unified sovereign state. It is also clear that the political processes in Russia itself engendered by the proclamation of the supremacy of Russian laws over Union laws have already jeopardized the integrity of the RSFSR itself. It would be naive to suppose that the champions of the RSFSR's "full sovereignty" and advocates of Russian armed forces did not foresee such a course of events in the republic itself. Otherwise this would indicate such political shortsightedness and naivety that the political leaders in question ought to resign immediately.

In actual fact it is a question of a well thought-out tactic accompanied by massive support from the propaganda media, which make effective use for these purposes of the real problems, real backwardness, and low living standards in Russia, the clumsiness of certain of the center's actions and policies, people's ever-growing dissatisfaction and uncertainty, and their natural need to rely on something and believe in someone.

There is another noteworthy fact. In recent days there have been disputes as to whether B.N. Yeltsin's appeal to the UN was a spontaneous reaction to events in Vilnius or a premeditated act. I would make so bold as to say that it was a prepared action awaiting a suitable occasion. If we compare G. Popov's dictum about "forces from outside," which serves as epigraph to this article, and the fact that this selfsame G. Popov is one of the 22 members of the consultative council under the RSFSR Supreme Soviet chairman, there is no room left for doubt. Incidentally, the overwhelming majority of RSFSR Supreme Soviet members not only did not know about the composition of this council of "consultants," but did not even guess its existence.

How does G. Popov conclude his program work? I quote: "'If the apparatus will not permit' perestroyka to be achieved by democratic means," then "the democrats will be left with the path of extraparliamentary struggle. This struggle will inevitably be cruel and will probably end in the establishment of a democratic (?) dictatorship." After this revelation is there any need for additional comments on the "democrats'" attempts to introduce a "special regime of strong executive power" in the RSFSR and on the vigor and ferocity with which they are trying to realize these attempts?!

Returning to G. Popov's article, I cannot help but touch on his "theoretical historical" substantiation of the need to dismantle a "society which has come into being in an unnatural manner." The title of professor should have obliged the author if not to display objectivity, then at least to be accurate in his quotations. Popov writes that "V.I. Lenin and the bolsheviks convinced themselves and the country that the economy was ripe, even overripe for the transition to socialism. And V.I. Lenin took the universal bureaucratic regulation which arose during World War I as indicating the level of development of the country itself"... But it is well known that Lenin, both before and after the October Revolution, maintained that, from the standpoint of strict theory, Russia was not ready for a socialist revolution, that the preconditions for building socialism in Russia would have to be created after establishing a dictatorship of the proletariat, and that Russia's path to socialism was a violation of the usual historical order.

This elementary academic unscrupulousness is unfortunately characteristic not only of our author. Distortion of history and open lies have become the norm for many of our mass media and publications. There is only one explanation for this phenomenon—the end justifies the means.

It was no accident that I took quotations from G. Popov and N. Berdyayev as an epigraph to this article. As is well known, the philosopher Berdyayev was exiled from the country in 1922. In 1937 he published in English the book "The Origins and Meaning of Russian Communism" [Istoki i smysl russkogo kommunisma]. A convinced opponent of Soviet power and a believing Orthodox Christian, but at the same time an honest researcher and scholar, he wrote the following: "The decay of imperial Russia began long ago. By the time of the revolution the old regime had completely decayed, run out of steam, and passed its best. The war completed the process of decay. It is not even possible to say that the February Revolution overthrew the monarchy in Russia; the monarchy in Russia fell of its own accord, no one defended it, it had no supporters... In the Russian Revolution, as in any revolution, forces of chaos were unchained and fettered. The heart of the people, mobilized by the revolution, first throws off all fetters, and the advent in dominance of the people's masses threatens a collapse into chaos. The people's masses were disciplined and organized in the maelstrom of the Russian revolution through the communist idea and communist symbols. This is communism's indisputable service to the Russian state. Complete anarchy, anarchic collapse threatened Russia; this was stopped by communist dictatorship, which found slogans which the people agreed to obey."

How pathetic and helpless the insinuations about "prosperous Russia" and the bolshevik plot and revolution which were "destructive for the country" seem in this light! Enough of your lying, gentlemen! Is it not time to base yourselves on historical facts, deep analysis of real historical processes, and the elaboration of a policy reflecting the genuine interests of the people and state?!

It is not the task of the present article to analyze our Soviet history, which is full of drama, tragedies, and rises and falls, like, incidentally, the history of any state in the world. But in my view, most normal people long since became tired of this stream of pathological lies and this by no means harmless process of manipulating the public mind.

What really should be done? First of all, I think our Union leadership must emerge from its state of lethargy and paralysis and stop playing at giveaway. People have long been waiting for order and discipline to be imposed, primarily in production. And surely our experience and the experience of such counties as Japan teaches us that we should solve our own problems with our own resources? What "forces from outside" are really interested in resolving our social and housing problems, in improving the education system, and in increasing our intellectual, cultural, and spiritual potential?!

I would like to hope that the recent presidential decrees are the beginning of an emergence from the state of paralysis and crisis.

But as regards the main "prescriptions" for the country's renaissance put forward by the author of the article "What Is To Be Done?" I would propose the following.

In the first place, there should be no denationalization in the spirit of G. Popov! What does transferring 80 percent of state property into private hands over two to three years mean? This task is impracticable even from the purely technical standpoint. Besides, why this percentage? After all, even in England and France and a number of other developed capitalist countries, no less than 20-45 percent of the production potential is in the hands of the state. What we need is a calm, consistent policy of destatization, but primarily from the viewpoint of decentralizing management and strengthening the collective joint-stock form of ownership, not excluding private ownership in its classic sense either.

Second, there should be no desovietization! No dictatorship! The evolution of the "democrats" is noteworthy. Stage one is the election struggle: "Down with the partyocracy, all power to the soviets"; stage two is consolidation of the power they have won (in some places): from the soviets to a "special regime of strong executive power;" stage three—the concluding phase—is the establishment of a "democratic dictatorship" (how this is done can now be seen from the examples of several regions of the country).

And finally there must be a categorical "no" to defederalization, which essentially openly sets the task of turning the country into a raw material, semicolonial appendage of the developed capitalist states by fragmenting it. Unfortunately, this process has already started. And I think that there can be no alternative to a unified sovereign Soviet Union, a reformed Soviet Union which has learned the lessons of its bitter history and is set on resolving its citizens' urgent problems.

Secretariat Member Views Truth, Communist Role

PM3001160491 Moscow PRAVDA in Russian 29 Jan 91 Second Edition pp 1,2

[Article by V. Gayvoronskiy, arc welder at the "Azovmash" Production Association and member of the CPSU Central Committee Secretariat, under the "Politics" rubric; first paragraph is PRAVDA introduction: "Don't Forego the Main Thing; Clarify Your Terms and You Will Save Yourself a Lot of Mistakes"]

[Text] Mariupol, Donetsk Oblast—PRAVDA is continuing to acquaint its readers with the newly elected—at the 28th party congress—members of the Central Committee. In this issue we carry an article by Valentin Alekseyevich Gayvoronskiy, arc welder at the "Azovmash" Production Association. Let us point out straightaway that the "Discussion Sheet" provides an opportunity both to make public various viewpoints within the party and to engage in well-adduced polemics with these viewpoints.

I have before me on the table the latest issue of PRAVDA. The CPSU Central Committee organ, as the title page says. The press is a weapon, I would therefore add—a militant organ.

With what has PRAVDA with its printrun of 3,120,000 copies armed the secretary of a primary party organization today, for instance? With scientific calculations and the results of sociological studies within the country and the party? Without giving the headlines of articles and the topics, I would say: "Alas! That's fine material for a routine political report. But that's all."

Communists' continuing exodus from the CPSU is the most acute question. Yet there is not a word about that.

It is equally important to reinforce CPSU ranks in the fight against anticommunist forces, where the situation changes almost daily. Here the newspaper has confined itself to TASS reports.

Primary party organizations are the foundation of the party. Since there has been no room or material for articles by primary party organizations' secretaries, the depressing, problematical conclusion has to be drawn: Either PRAVDA disregards the opinion of primary organizations or the secretaries of the party's basic cells have no desire to be in the forefront. It's no help either way.

A party's press also mirrors the party. We can take hold of any newspaper—even the most independent—read it from cover to cover, and we will undoubtedly see its political standpoint. Should we blame the mirror? I am convinced that we should.

As a member of the Donetsk Obkom [Oblast Party Committee] and a member of the CPSU Central Committee Secretariat, I meet Communists at primary party committees and party committee secretaries almost every day.

Social protection and the actual mechanism for protecting working people amid the buildup of market structures and market relations and pluralism of forms of ownership are the supreme question here. The secretary of a party organization can hardly fight and embark on conflict—and there's no fight without conflict—to uphold the interests of the working people without social protection himself.

The answer is plain to see.

The party undermines its own foundation by failing to protect the secretary of a primary party organization.

There is no reassurance but alarm. The uncertainty voiced in Communists' questions is alarming: "What is happening?" "Where are we going?"

Where are we to find the answer if not in the party press? As soon as a person seeks an answer, he finds it. Only in other publications, with a suitable interpretation. This is no small problem if you take into consideration the fact that Communists have for many years been accustomed to ready-made prescriptions that provide no incentives under any circumstances for "living as you see fit," so to speak.

Today it is no longer ready-made recommendations but polemics and the clash of viewpoints that are necessary. Hence the need to analyze the situation and the need for practical conclusions. Since without analysis practical work is not ongoing but hit-and-miss.

At a meeting with Communists from "Azovstal" I was asked: "Tell us, what is the Secretariat doing, why don't we know the Central Committee secretaries' stance on highly topical questions?"

Many elements came together in this question. Communists' lack of information about the central organ's work for various reasons, confusion amid the current difficult situation, rare meetings with Central Committee secretaries at labor collectives, and the weight of everyday problems. All that is understandable.

Something else hurt—mistrust in those people who were elected at the congress and thus in those who elected them...

I often hear: "I read in a newspaper again that the party elite is messing about."

Well, I must explain. First, if someone has gotten their hand in the party till, we should investigate in a party-minded manner. Second, while trying to find out what is and is not going on in our ranks, democrats and independents will hardly be most concerned about the purity of our ranks... They have a different aim. Some people are trying to prove that the CPSU is made up of 19 million villains.

A single accusation multiplied by the printrun replaces hundreds of rallies with the slogans "Down with [the CPSU]!"

Let us say once again—that's the power of the press.

Although, we must, of course, combat extortioners within the party. CPSU members tell me this at every meeting without exception, they write to the CPSU Central Committee, and are demanding that highly resolute steps be taken against those people who have forgotten about party modesty or transgressed the law.

Among the fundamental documents at the CPSU Central Committee December (1990) Plenum a resolution "On Privileges Within Party Organs" was discussed and adopted. This document is the result of work by the commission set up by the 28th CPSU Congress and PRAVDA published it in full, unexpurgated. But also without commentary. So, allegedly all the country's Communists attended the plenum and there is nothing to explain here. However, relying very craftily on lack of information, our enemies are palming off more and more rumors and accusations on the man in the street (the voter and taxpayer). How else, for instance, can you account for the fact that many people in Mariupol are convinced that, as a member of the Secretariat, I receive 1,200 rubles from party coffers every month along with other privileges. What is more, I am sure that the people generating these rumors know precisely that there is no hint of anything of the kind. Just as I know that they are by no means motivated by a desire to rate my contribution to the party's cause so highly.

Now that I have been elected a member of the Central Committee and its Secretariat for the first time, I see the whole party today in a different light. Although six months is not that long to grasp all the problems and survey the whole CPSU.

The Secretariat meets twice or four times a month and very many questions are put forward for discussion. Experience of life and the party are of assistance and Central Committee secretaries assist in the work. Without singling out anyone in particular, I will say that there is mutual understanding. The Secretariat is a collective body and I share responsibility with them for the decisions adopted. Whether they are CPSU Central Committee instructions, the organization of political work within the Armed Forces, or any other decisions.

I was born in Arkhangelsk in 1948 and lived and worked for a long time in the city of Severodvinsk, where I joined the CPSU in 1973. That was also where I graduated from evening school. I have lived in the Donbass since 1979, working at the largest machine building association in the Ukrainian SSR [Soviet Socialist Republic]—"Azovmash."

I do not like talking or writing about myself. But in this case I an trying to answer questions that I am often asked.

My involvement in party work and desire to change production relations and come closer to my view of just relations rouses a response in people. In 1987 the workers elected me team leader. Today my team is the mainstay of production and social life. A team is made up of specific people. Young people who began their working life fairly recently like Aleksandr Skumin, his namesake Gybert, and Vladimir Samoylov, along with the leading exponents of arc welding, Aleksey Aleksandrovich Nikitovich, Boris Aleksandrovich Pilyavskiy, and Viktor Vasilyevich Kovalev, are my section leaders, my comrades, assistants, and advisers. If we are talking about favorites, I do indeed favor them—for their selfless work, professionalism, and supreme exactingness toward themselves and others. I don't think that it's wrong to have favorites like this, the team does good work. Unfortunately, its potential is not being fully utilized now. The disruption of economic ties in some areas deals us a quite concrete blow. First there's no metal, then there are no spare parts... But our customers need our output—railroad tank cars—so much. Workers are puzzled: "How can this be happening? Metal is going abroad and we're standing idle because there's no metal!" What can I tell them. Without metal we workers of metal are like sailors without the sea...

The "Azovmash" Association's Communists sent me to the obkom and elected me as a delegate to the 28th CPSU Congress, where I became a Central Committee member. I was elected a member of the CPSU Central Committee Secretariat at the July (1990) plenum—which came as a surprise to me. So, I found myself at the spearhead of political movement.

Perestroyka has impelled millions of people and various social strata and population groups to take an active part in public and political activity. The country's sociopolitical life is becoming more and more dynamic. Is that coincidence?

We remember how we waited for the renewal of society and normalization to begin without knowing what name it would be given.

The name rapidly took root, but perestroyka processes are proceeding far more slowly and with far more difficulty in society.

Who can claim today that, if April 1985 had been put back a year or two, we would not have experienced far greater upheaval?

Speakers at the CPSU Central Committee December Plenum said with sincere concern that laws in the country are not being executed, the president's decrees are not "working," and the wave of separatism and legal nihilism is growing, and they named and pointed to specific culprits. So, what can we build in a flash allegedly by a change of government or CPSU leadership?

The missed opportunities are our greatest mistake. Every day, by slipping toward the extreme of conservative dogmatic views, on the one hand, and "revolutionary" phrases, on the other, we are missing an opportunity to form a civil society and create a society of aware citizens. Where someone else's pain is seen as your own, where there are no such thing as other people's problems, where a person takes care of the society in which he lives, and society has no loftier goal than man's happiness.

The movement to create and build a civil society has already begun. It has begun by violently rejecting criticism in favor of well-considered assessments and calm analysis. Announcements that the USSR Constitution has to be defended by force of arms in some areas in the process of forming a new civil society are all the more bitter.

To extricate the country from the crisis, the Communist Party is uniting everyone to counterbalance the political forces that are joining forces to remove the CPSU from the political arena. (There are no societies without crises and we will again hear the charge that the CPSU allegedly took the country to the brink first in order subsequently to rescue it. That is "the logic of people with a grudge" and I will not dwell on it).

Resisting the CSPU's new strategy, movements and parties that raised the "Perestroyka" banner higher than everyone in the struggle for power have plastered it with what they consider to be new slogans—"Democracy!" and "Human Rights"—thus transforming the banner into a political poster. In accordance with placard logic the "democrats'" last and, probably, most sincere words appeared on it: "Without Communists!"

Excuse me, ladies and gentlemen. That is only possible in fascist democracies! It is to the credit of our by no means politically experienced citizens that people have rapidly grasped who's who.

The scars of the fascist scourge have still not healed in the people's memory... Only respect for other people's opinion prevents the reproach: "The guys have overdone it"...

Organizations in opposition to the CPSU make extensive use in their own interests of both the official mass media that has found itself under their influence and their own periodical publications (some of which have printruns running to tens of thousands). Some sociological services and a number of highly qualified social scientists often work for the opposition. Many politicized associations are striving to expand their commercial activity—something that they are denying the CPSU for some reason, without sparing the epithets. Here too similar moves betray perestroyka's former champions. When they need to belittle the Communist party's role in Soviet society, they put about the idea of a party that has become obsolete and is rejected by society. Since there's no resisting the temptation to intimidate the man in the street, the other idea is that Communists dominate the soviets... It is wrong to forget what they fought for. The elections were democratic, everyone was able to put forward and defend their candidates.

In a society of civil accord the struggle between various parties and movements for influence in society should be open and take place on a democratic basis, within a legally regulated framework, the foundation of which is the USSR Constitution and the USSR Law "On Public Associations." Otherwise social trouble and poor political culture will really threaten to destabilize the situation in the country, discredit democratic institutions, and activate right-wing and left-wing extremism.

However, realities are such that, given the tremendous range of political movements and parties, it is hardly advisable to rely on there being complete unity among them. However, the rapprochement of various views and the attainment of reasonable compromises to consolidate the majority of the people and implement the program to extricate society from the crisis can be based on ideas of civil peace and nonviolence, guaranteeing human rights, and other democratic aims and values.

I most frequently come across the following question in letters, and when Communists are received at the CPSU Central Committee Secretariat, and at the workshop where I work: "As a rank-and-file Communist, what should I be doing in the present situation?" The question is an equally difficult one both for a party official and for a rank-and-file party member to answer.

"First you have to understand and work out your position, establish with whom you are fighting, against whom, and for what. The ancient sages pointed out: "Clarify your terms and you will save yourself many mistakes." Although while saving ourselves mistakes, we do not always strengthen our convictions and that is the main thing today.

The logic of political struggle often raises the question: "What is to be done?" Today one such question is how we are to structure relations between the CPSU and noncommunist parties and movements.

Quite naturally, a logical question requires an adequate answer.

Let's try to analyze this from the example provided by the Democratic Party of Russia. N.I. Travkin himself will help us in this.

In his election program as a then candidate USSR people's deputy, Travkin said: "As a Communist I stand on the party platform." Less than six months later at the congress of independent workers' movements he said: "One of our main aims is to combat the Communist Party and its ideology." Two months later in DEMOKRATICHESKAYA ROSSIYA he said: "The CPSU will survive for a year at most and will then disappear from the political arena. Former Communists will disperse to other parties." And: "I am convinced that literally a month or two after the 28th Congress the Supreme Soviet will, in accordance with the demand of the working people, nationalize CPSU property and remove party committees from enterprises to ensure that they do not hamper work."

Travkin is understandable here. This is the logic of an apostate, if not to put it more harshly.

I am reminding you of this owing to something I heard recently from Communists: "N. Travkin's rejection of the CPSU has become less marked..." Admittedly, this was accompanied by the following reservation: "...verbally at least." And "he even criticizes Yeltsin, Popov, Sobchak..."

Well, excuse me for the blunt question: Do we need to hold out our hand to Travkin's party? Why are we to conclude that his anticommunism has become "less marked" if the report delivered by the chairman of the Democratic Party of Russia at its First Congress said: "They (I do not think that there is any need to explain who "they" are—V.G.) have done and are doing everything to bring the country back to its starting point, the people back to the fold, and themselves to unlimited power."

Those are his pearls...

The main aim of Travkin and his ilk is power. But the struggle for power in Moscow essentially reflects the processes taking place in the country. It is just the tip of the iceberg. The pitch is being sustained artificially and—let us add—with good direction by countless actions on the part of Travkin and his assistants in the hope of making "waves." I mentally arrive at the following question: How viable is an "alliance" between Communists and anticommunists? After all, you can see from the experience of CPSU organs' working with "democrats" that agreement with the Communists on fundamental strategic questions is terrible for them.

But you can understand and account for their immediate aim. The main thing for them today is to win support among workers and peasants for their aims. Unfortunately, Travkin can see better than we can where the CPSU loses out and what actions are needed to have a political base in society.

There is no need to deceive us into thinking that in some speeches by leaders of the Democratic Party of Russia Communists have been transformed from their "worst enemies" into a "bearable" entity. The "democrats'" ambitions speak quite eloquently when judged from their claims to power.

In his report at the Democratic Party of Russia Congress Travkin also set the task of recruiting supporters from the Army, MVD [Ministry of Internal Affairs], KGB, and educational establishments, particularly among young students. Well-known areas in the unbridled campaign to deideologize, departyize, and simply remove the CPSU's influence in these departments. Terekhov, the main ideologue among Travkin's supporters, went so far as to say that the introduction of martial law would be justified in order to weaken the CPSU. As is well-known, in this case the activity of all parties is suspended.

There's the democrats for you! As the popular saying goes: "If you're not allowed to do something but you want to, you can..."

Well then, will we hold out our hand to them? This is no binary logic.

Either or. Either allies, or enemies. There can and must be dispute. But we must not forego the main thing. The truth. I do not think that the specified approach would contravene the idea voiced by M.S. Gorbachev at the Moscow CPSU municipal organization's 28th conference: "...with whom we must cooperate, enter into an alliance or coalition, make compromises, and unite, and with whom we are not on the same wavelength."

Since Travkin's supporters have their own allies and successors. Including in the Ukraine. "Rukh" has consistently slipped from positions "for" (People's Movement "For Perestroyka") to extremely "against." Against the power of the soviets—since the incumbent soviets do not suit them—and against Communists, revealing almost pathological malice here. After all, as the saying goes: "You don't like us, so why should we like you?"

I'm finishing writing this article in the train from Mariupol to Moscow. I'm traveling to a sitting of the commission elected by the 28th CPSU congress to formulate the CPSU's new program. There's work ahead.

Officials Comment on Decree on Moscow

PM0402100391 Moscow IZVESTIYA in Russian 28 Jan 91 Union Edition p 1

["Commentary on USSR President's Decree" comprising S. Chugayev report on interview with N. Pivovarov, chief of special commission drafting law on Moscow's status and chairman of the USSR Supreme Soviet Committee for Questions of the Work of Soviets of People's Deputies and of the Development of Management and Self-Management, followed by interview with Moscow Gorispolkom Deputy Chairman A. Muzykantskiy by correspondent V. Belikov; place and date not given: "Capital's Rights and Duties"]

[Text] The USSR president's decree "On Improving the Administration of Moscow City" has been published in the press. It contains, among other things, the instruction that a special commission draw up within a month a draft USSR Law on the Status of Moscow—Capital of the USSR and the RSFSR [Russian Soviet Federated Socialist Republic]. N. Pivovarov, chairman of the USSR Supreme Soviet Committee for Questions of the Work of Soviets of People's Deputies and of the Development of Management and Self-Management, has been appointed head of the commission. Our correspondent S. Chugayev asked him to comment on the president's decree.

[Pivovarov] The main aim of the law we have been instructed to draft is to provide Moscow with the status it has long deserved. Both as capital of the USSR and the RSFSR and as the country's biggest city. I would not like to anticipate the commission's results now, when it has not even started work. I will say only that it will in any event be concerned with the special status of the capital of the country and republic. Incidentally, such status is enjoyed by the capitals of many states in the world.

Moscow's new status must certainly facilitate the administration of the city's economy and all city life. It will also make it possible to improve the city's material position and create the preconditions for Muscovites' lives to become more prosperous.

Work on the draft law essentially began almost six months ago, when the commission to review proposals for improving Moscow's administration was formed. I would remind you that its creation was prompted by an appeal to the USSR president by Moscow City Soviet Chairman G. Popov that spoke of the urgent need to define Moscow's status not as an ordinary city but specifically as the capital city of the USSR and the RSFSR. S. Stankevich, deputy chairman of Mocow City Soviet, R. Khasbulatov, first deputy chairman of the RSFSR Supreme Soviet, and I. Cherepanov, chairman of the Moscow Oblast Soviet, took part in the commission's work. Incidentally, IZVESTIYA wrote about the commission's work.

During this work efforts were concentrated on collecting and generalizing all the best features of Soviet and world practice in administering a city economy. A great wealth of material was accumulated. We now have to make use of it in preparing the draft of the future law on the status of Moscow to ensure that ultimately the efforts of Moscow, Russia, and the Soviet Union are pooled and the most up-to-date and efficient forms of city administration are used while at the same time ensuring that the rights of every Muscovite, rayon soviet, and the Moscow City Soviet are observed.

Our commission will work openly. The USSR draft Law on the Status of Moscow will be discussed in the USSR and RSFSR Supreme Soviets. [Pivovarov ends]

Our correspondent V. Belikov talked with A. Muzykantskiy, deputy chairman of Moscow Gorispolkom [City Soviet Executive Committee].

[Belikov] Historically Moscow has combined the functions of two capitals—union and republic—and is also the center of a large oblast. The administrative burden on the city and its economic and municipal structures is heavy...

[Muzykantskiy] The burden is indeed excessive. It is made still worse by the fact that, while bearing vast expenses, the city receives nothing to the benefit of its own vital activity from the location there of a mass of central institutions, organizations, and all kinds of missions, offices, and bureaus. These are not just official buildings and premises, but tens of thousands of square meters of housing for people invited here to work permanently or temporarily. City transport, lines of communication, and trade and consumer services are under colossal strain.

At the same time Moscow is virtually the only major capital in the world not possessing special status. Vienna, for example, even has its own constitution, and the U.S. capital, Washington, assigned to the federal District of Columbia, comes under the jurisdiction of Congress and has its own charter. In other words, it is generally recognized that any capital is a city having special relations with the whole country and its state and governmental formations.

Such relations should be duly stipulated in a separate law. Clear legal norms, in particular, should establish the forms and amount of compensation for the use of the city's territory and its transport, electricity, water supply, and other services.

[Belikov] You were a member of the commission created by the USSR president last fall to prepare papers on questions of improving the administration of the city of Moscow. What was the outcome of its work?

[Muzykantskiy] We held several very active sittings, where we compared many views, proposals, and plans, and prepared our findings at the end of October. The president has, I know, received this document. It expressed, in short, the agreed view that Moscow, while remaining the capital of the state and republic and receiving fair compensation from their budgets, should retain the right to establish its own administrative-territorial divisions.

A mechanism for demarcating property—union, republic, and municipal—in the city is also envisaged. The preparatory comnmission's findings also contained recommendations for improving the system for administering the city and its economy. The opportunity for Muscovites to elect the head of executive and administrative authority—the capital's mayor—by direct universal suffrage is established.

Over three months have passed since then, and during this time virtually no work has been carried out on the document. Now a new commission has been formed to prepare a union law in just a month. Little time has been allocated and the work will be very complex. Representatives of Moscow should clearly take part in it along with USSR and RSFSR deputies. [Muzykantskiy ends]

On the evening of 25 January, just before this issue of the newspaper came out, N.D. Pivovarov appealed to the leaders of soviets, executive committees, enterprises, organizations, labor collectives, and individual citizens to take part in the drafting of proposals for the legal formalization of the status of the city of Moscow as capital of the USSR and the Russian Federation. Proposals are to be sent by 5 February to: The Commission for the Preparation of the USSR Law on the Status of the City of Moscow, USSR Supreme Soviet, Moscow.

Volkogonov on Gorbachev's 'Drift to the Right'

PM0502164891 Moscow MOSCOW NEWS in English No 3, 20-27 Jan 91 p 3

[Article by RSFSR People's Deputy Dmitriy Volkogonov: "Tragedy of Freedom"]

[Text] As an historian and philospher, I try to see the drama of the moment from the threshold of the coming century. Time will mercilessly sweep away the masks of certain politicians, depreciating their statements and revealing the futility of their attempts to retain what has long ago been devalued by history. However many things are becoming clear even today.

I have two contradictory emotions: resentment caused by failed hopes and bitter disappointment. Two years ago I gave Mikhail Gorbachev a letter criticizing his inconsistency in matters of home policy. Later, on several occasions I publicly spoke before important audiences about Gorbachev's dangerous drift to the right. Now we can say with regret that this initiator of renewal also aspires to the role of "gravedigger". As I see it, Gorbachev's dilemma is his inability to change his imperial mentality and behaviour. They are incompatible with the concept of freedom.

Soviet society is indeed sick and tired of chaos, anarchy and impotence. But how can order be reinstated? Those who see no way out other than the use of military force are gravely mistaken or else insincere and wilfully obscuring current developments. I firmly believe that Soviet society can cope with the situation by parliamentary, non-military action, however serious and all-embracing the crisis may be.

This country has had its full share of violent change and must at least understand that the time of revolutions is past. No revolution can be a success, remarked Nikolay Berdyayev sagaciously. Neither can there ever be a successful coup.

The current situation inevitably prompts the following thought: why does the USSR President need additional power? After all, he is at least as powerful as Russia's monarchs, perhaps even more so. He can dissolve representative bodies of power, suspend social organizations and resort to military force. I hate such analogies, but back in September 1917, when the new authorities gave the people their freedom but neither bread nor peace, Kerenskiy demanded, and received more power. A Directory was created. But this resulted in further "erosion of power". Bolsheviks took away freedom and gave the people peace and land. However, the gift was devalued without freedom. Today, when society is in a desparate situation, the very threat of using force to boost freedom can trigger a landslide resulting in clashes and bloodshed.

The world knows the Soviet President as the man who five years ago courageously shifted Soviet society onto the rails of democracy and away from totalitarianism. Should this progress along the road of democracy be stalled for another couple of decades and Soviet society lapse into stagnation, history would not forgive either the President or society. But social stagnation would be the least distressing possible outcome. We mustn't forget a much more ominous prospect: civil war in a country full of atomic power stations and nuclear arsenals. This is a horrible prospect for the whole world.

My gravest concern as a deputy of Russia's parliament is that the shadow of blame for the possible tragedies can again fall on Russia. I'm deeply grieved by an anti-Russian cry heard here and there on the fringes of the USSR, associating the policy conducted by the Centre with the Russian nation, while meanwhile Russian refugees have to lead an abject existence in barracks and school buildings. Russians have paid the price for their false position of "elder brother" and for their imperial policy: they have lost their own rights and face animosity from people who see Russians as promoting the interests of the empire by the use of the bayonet. But neither Russians nor Russia are to blame. The totalitarian system which turned Russia into the facade of the empire also made her an amorphous appendage of the Centre, an arsenal, a reservoir pumped for decades without the permission of its people.

Now we are witnessing the rise of a new, democratic Russia. She doesn't want her children to pay in blood for the crimes perpetrated by Stalinism and the mistakes of the USSR leadership any longer. She doesn't want to have the use of force blamed on her.

No one can win from social confrontation. The psychology of the victor is good only for a street warrior. The risk of leaving behind a scorched land, a graveyard where freedom lays buried, is much greater than the chance of victory.

Regarding the present, I cannot shake of a feeling of deja vu. In the summer of 1918 Bolsheviks quickly routed their only allies: the left wing of the Socialist Revolutionary Party (who had also made many mistakes), thus gaining monopolist control of power and freedom. The outcome is clear today. Military muscle would not have to exert itself much in order to disband a couple of parliaments. However, history's "revenge" is inevitable, because freedom is indivisible. There can be no experiments in real life and certain mistakes can prove fatal.

I wonder if our children and grandchildren in the next century will regard the person on whom we have pinned so much hope as only a shooting star on the political horizon.

Participants in Federation Council Session

PM0502150791 Moscow IZVESTIYA in Russian 2 Feb 91 Union Edition p 1

[Unattributed report: "Federation Council Session"]

[Text] A session of the Federation Council opened in the Kremlin at 1200 hours 1 February.

According to information available to the IZVESTIYA editorial office, it is envisaged that the situation in the Baltic republics and a number of other urgent questions concerning the destiny of the Union will be discussed.

The session is being attended by representatives of all union republics. The Ukraine is represented by V. Fokin, chairman of the republic Council of Ministers; Belorussia is represented by N. Dementey, chairman of the Supreme Soviet; Kazakhstan by Prime Minister U. Karamanov; Moldova by M. Snegur, president of the republic; Azerbaijan by A. Mutalibov, president of the republic; Armenia by L. Ter-Petrosyan, chairman of the republic Supreme Soviet; Georgia by A. Asatiani, first deputy chairman of the republic Supreme Soviet; Kirghizia by A. Akayev, president of the republic; Tajikistan by K. Makhkamov, president of the republic; Turkmenia by S. Niyazov, president of the republic; Uzbekistan by I. Karimov, president of the republic; Latvia by A. Gorbunov, chairman of the republic Supreme Soviet; Lithuania by E. Bickauskas, permanent representative of the republic at the USSR Council of Ministers, and Estonia by Prime Minister E. Savisaar.

Constitutional Oversight Said 'Inadequate'

PM0402112191 Moscow IZVESTIYA in Russian 28 Jan 91 Union Edition p 3

[Article by M. Piskotin, member of the USSR Constitutional Oversight Committee and chief editor of the journal NARODNYY DEPUTAT [people's deputy]: "The Constitution Needs Protection"]

[Text] The events in Lithuania and Latvia have shown that the juridical mechanism existing in the country for defending the constitutional system and its democratic bases is manifestly inadequate.

Let us make it clear straightaway that everyone should defend the Constitution: Without this, constitutional procedure will find itself constantly in danger even if a carefully considered system for safeguarding it is elaborated. Today society pins its hopes upon the legally elected organs of power in Lithuania, Latvia, or any other republic not being eliminated and replaced by other organizations.

An effective legal mechanism for the defense of the Constitution of the USSR and the constitutions of all republics belonging to it operating quickly and reliably must exist for this. Society needs to be sure that such a mechanism works and actively engages in defense of the constitutional system when officially adopted measures do not achieve their objective.

Mindful of this need, the Second Congress of USSR People's Deputies adopted on 23 December 1989 the Law on Constitutional Oversight in the USSR. The USSR Constitutional Oversight Committee was set up in accordance with this. The law was adopted at a time when the "war of sovereignties" was already under way in the country. It was therefore established that the provisions of the law pertaining to oversight of the compliance of the constitutions and laws of union republics with the Constitution and laws of the USSR will come into force only after amendments and additions have been made to the section of the USSR Constitution on the national-state system and simultaneously with it. In practice this means after the conclusion of the new Union Treaty. The powers of the committee were thereby curtailed.

The committee has also come up against other restrictions. They have revealed themselves particularly acutely regarding the situation in the Baltic republics. The committee has in practice been deprived of the possibility of reacting effectively to anticonstitutional acts adopted by them, including those infringing the rights of citizens and discriminating against the Russian-speaking population. The committee has not been able to take energetic action over the most recent dramatic events.

During these difficult January days all of us have been alarmed by the emergence of national (social) salvation committees, first in Lithuania, and then in Latvia. Statements have now been issued that the committees are no more than public organizations and have no intention of conferring state functions upon themselves. Alfreds Rubriks, first secretary of the Latvian Communist Party Central Committee, said such, among other things, on behalf of the All-Latvian Social Salvation Committee on 21 January. But the Lithuanian National Salvation Committee remains anonymous, and it is not known what it has in mind. Moreover, the first steps taken by the two committees, like their names, have given grounds for thinking that it is their aim to occupy the place of the legally elected organs of state power. So they have emerged not to safeguard constitutional order, as their champions now say, but quite the contrary. No matter how just criticism from their side of the actions of the official organs of Lithuania and Latvia might be, their claims to power in defiance of the Constitution have constituted a threat to the constitutional system. And it is not surprising that dismay should have begun to be registerd in the mass media and in letters to the Constitutional Oversight Committee at the committee's silence.

However, the committee as an official organ is unable to react to the situation prevailing in the Baltic. First, under the law it is entitled on its own initiative to examine questions concerning compliance with the USSR Constitutiuon only in relation to the acts of organs of state power and management, and only of a unionwide level. And in this case it is public organizations of, moreover, a republic scale that are involved. Second, the committee's powers apply in practice only to normative acts, that is to say, acts which establish general rules rather than solving specific questions. The committee could respond therefore to the actions of national salvation committes only if at least two conditions are met: If they issue acts of a normative nature; and if one of the state organs or all-union organs of public organizations listed in the law, or if at least one-fifth of USSR Supreme Soviet members appeal to the Constitutional Oversight Committee.

Yet the country was fearful most of all of a seizure of power by national (social) salvation committees and the forces supporting them. This has been seen as the main threat to the constitutional system. The impostor-organs have not been able to issue normative acts to date. But their actions could clearly indicate that henceforth they are to be considered as the state. Given the current interpretation of the Law on Constitutional Oversight in the USSR the Constitutional Oversight Committee would not be entitled to react to such actions.

Of course, in this situation it is politics and force rather than the law that is the deciding factor. But recent days have shown once again that perestroyka is irreversible and that it has fundamentally changed the configuration of forces and the mind of the public in the country. It is becoming more and more difficult now to ignore the law. It has to be reckoned with. Given this, the question of the legal mechanism for the defense of the constitutional system assumes enormous political significance.

The USSR Constitutional Oversight Committee is more reminiscent now of the constitutional courts or constitutional councils existing in other countries that evaluate legislative acts solely on the basis of appeals by relevant state organs or officials, but in no way on their own initiative. The committee's adopted work procedure shows this. In particular, it has under the law to circulate its draft conclusions on questions under examination to members no later than 15 days before its session. In short, the committee is designed to evaluate legislative and normative acts calmly and unhurriedly from the standpoint of their constitutionality rather than promptly responding to threats to the constitutional system. And in the future it must clearly transform itself into a constitutional court. This emerges, among other things, from the official draft of the Union Treaty.

That is in the future. But now? The committee is not called the Constitutional Oversight Committee for nothing, after all. It combines judicial and oversight functions. In certain countries such functions are split up among various organs. For example, in the FRG, alongside the constitutional court, there is a special department for safeguarding the constitution which possesses the necessary levers to ensure the country's basic law is safeguarded. Since we have no such organ in our country, it would now be advisable, while retaining the committee's judicial functions, to enhance its oversight activity by making appropriate amendments to the law. After what has happened in Vilnius and Riga the need for this has become obvious.

It goes without saying that the effectiveness of any legal mechanism depends on the general political background against which it operates. The development of the situation in the Baltic republics would probably not have taken such a tragic turn if a clear and realistic political course in relation to it had been drawn up in good time. Judging by USSR President Gorbachev's Statement of 22 January 1991, such a course does now exist. It stems from the unshakability of the constitutional system. All anticonstitutional measures, wherever they come from—republic organs, public organizations, troops, or union organs—are deemed equally unacceptable. The constitutional right of a republic to withdraw from the USSR is confirmed while at the same time it is stressed that such withdrawal can take place only on the basis of a referendum "and as a result of the process envisaged by the law." The president's statement has one defect only—its tardiness. Be that as it may, infringements of it must not be allowed from any quarter.

The country has gotten bogged down in interethnic conflicts. The war of sovereignties, laws, and budgets shows no letup. This cannot be solved by way of conflict and strong-arm action. There will be no victors in such a war. The solution lies only in seeking agreement, relying upon the law and acting within the constitutional system. Given this, it is particularly important that an effective mechanism for defending such a system exist.

Justice Official on Party Registration Process

LD0402095891

[Editorial Report] Moscow Domestic Service in Russian at 2330 GMT on 3 February carries a 4.5-minute recorded interview conducted by Vladimir Korablev with Vladimir Nikolayevich (Shbankov), head of the new Justice Ministry service responsible for the registration of the rules of new political parties, public associations and other associations.

Korablev opens the interview by asking about the progress made so far by the service, and for conclusions drawn from this first month.

(Shbankov) says: "Somewhere in the region of 350 different types of public associations have come to us. As a rule, they all came to consult with us. Only a few—24 organizations—have submitted documents in full, and in accordance with the requirements of the law and the rules for registration, as were confirmed by USSR ministers." He continues by saying that most of the applicants are unfamiliar with the actual law.

Korablev then asks whether this means that, as yet, none of the parties have been authorized, and (Shbankov) confirms that this is the case as the process is a lengthy one, calling for detailed analysis of the rules by legal experts. He points out that 2 months are needed for this analysis, so the first registration should take place by the middle of February.

Korablev asks: "Could you please tell me, will the Soviet Union's Communist Party also go through the registration procedure with you, and will the same demands be made of it as will be made of other political parties, public associations, and organisations?"

(Shbanko) responds: "Of course, there is no doubt of this. I must say that the CPSU in no way differs from the other types of public associations. It has the same rights and obligations as other political parties and other organisations."

Korablev then goes on to question (Shbankov) regarding the fears of democrats that this registration procedure is another attempt to establish strict bureaucratic control over the activities of political parties, mass movements, and public associations. (Shbankov), attributing these fears to ignorance of the laws, says that registration, on the contrary, guarantees the right of political parties to exist, and protects their rights and interests.

Korablev then asks: "The final question, Vladimir Nikolayevich. Are you sure that the law on public associations, political parties and organizations really will work in the interests of the further development and reinforcement of democracy in our country?" To which (Shbankov) replies: "I do not doubt this. I would say that this law is very democratic, and is even more democratic than in a number of other foreign countries." He concludes the interview by saying that this process is now irreversible, and public opinion is set to play an increasingly important role in society.

Commentary Views Yeltsin, Kuril Islands

LD1102040791 Moscow Central Television Second Program Network in Russian 1845 GMT 10 Feb 91

[Maksim Sokolov commentary on the "political events of the week"; from the "Namedni" segment of the "Authors' TV" program]

[Text] Yeltsin has presented his kitchen cabinet to the public, the Supreme Consultative Coordinating Council under the Russian Supreme Soviet chairman. Twenty-two prominent representatives of the Russian public belong to it. Considering that kings make their own entourages, it has to be admitted that the king in Russia turns out to be not at all stupid. The presentation of the Yeltsin team coincided timewise with increasing efforts to establish the post of president of Russia. One might expect that with such a team of experts at his disposal it will be easier for Yeltsin to convince his fellow citizens that the post of president is being established by virtue of a program and not by virtue of a personality.

Well, in the meantime Boris Nikolayevich left for the oblast center of Kaliningrad Oblast, the hero city of Koenigsberg. Bearing in mind that one of the leading theses of Russian foreign policy that is coming into being is the thesis that Russians and Germans are brothers forever one can expect Yeltsin's visit to eastern Prussia to arouse a lively interest among our neighbors, the Germans.

At the same time, interest no less lively is being evoked by a territorial acquisition made by the Soviet Union during World War II other than that of eastern Prussia—to be precise the southern Kurile islands. The Russian deputy and Russian millionaire Artem Tarasov suggested that the USSR president has a secret understanding with Japan that the southern Kurile islands should be sold for 200 billion dollars. The majority of experts considered Tarasov's forecast to be too bold but none too felicitous. And for Tarasov the forecast turned out to be not at all felicitous from the criminal and legal point of view. The procuracy is instituting a criminal case against him under the law protecting the honor and dignity of the USSR president.

It's difficult to understand how much the dignity of a statesman suffers from a forecast of that kind. From a different point of view the sale of four rocks in the ocean for 50 billion dollars each is much more likely to be seen as an extremely praiseworthy act. Any way, having due regard for the procuracy's extremely punctilious attitude to political forecasts, political observers, in the future are going to have to be very careful.

Pavlov Sends Thanks for Congratulations

PM0702102191 Moscow IZVESTIYA in Russian 1 Feb 91 Union Edition p 2

[Message from USSR Prime Minister V. Pavlov: "Thanks for Congratulations"]

[Text] I am sincerely grateful to all Soviet citizens and organizations and also state and public figures of other countries who sent congratulations in connection with my appointment as USSR prime minister.

In taking on such a great responsibility at a difficult period for our country, I intend to expend all my efforts and abilities to justify this lofty trust and to do everything possible to implement the policy of perestroyka and of the country's renewal designed to ensure for all Soviet people a dignified existence and confidence in the future.

[Signed] V. Pavlov.

Would-Be Spy Kutsenko's Case Reviewed

PM0702101391 Moscow KRASNAYA ZVEZDA in Russian 5 Feb 91 First Edition p 4

[Lieutenant Colonel A. Plotnikov report: "A Spy on His Own Initiative; Story of a Downfall"]

[Text] TASS reported 1 February that on 28 January the Moscow Military District military tribunal had concluded the hearing of the case of Major Viktor Ilyich Kutsenko, a scientific associate at a USSR Ministry of Defense scientific research institute accused of attempting to betray the motherland by revealing a state and military secret.

By decision of the tribunal Kutsenko was sentenced to five years' imprisonment.

On the way to the courtroom of the Moscow Military District military tribunal, my attention was caught by a woman sitting hunched and somehow wary on the edge of a chair, crying.

"Kutsenko's wife," one of the KGB staffers informed me.

And when we took our places in the hall, the officer added: "Apart from everything else this junior scientific worker has done, he has also left his family without an apartment."

"How is that?"

"When he was hiding from his 'buddies,' he gave up his accommodation at the military camp. So his wife and children are 'out on the street,' so to speak."

By this time I had read the accused Kutsenko's case and knew about his intentions to sell to foreign intelligence representatives military documents, information on space communications, and other military and state secrets. The damage that Kutsenko could have caused to the Armed Forces and the state by his actions would have totaled over 100 million rubles [R], according to experts' estimates. So I had a picture of him as... well, some kind of James Bond.

But a dispirited man with frightened eyes was led into the courtroom. He was short, plump, and balding, and did not look like a superspy. And is Kutsenko a spy? What should he be called in this case?

...Unfortunately, resourceful people who know how to obtain, buy, and sell anything are valued in society today. Indeed, it is difficult to tell who among these people is engaged in commerce and who in out-and-out speculation. But for some reason honest working people have recently provoked ironic smiles among many people. Servicemen are also ranked among them. What can be got out of them? Even cab drivers ignore them, because you will never get an extra ruble from "those military men."

It all began with such reflections for Viktor Kutsenko. "Who lives in clover nowadays?" he reasoned. "Business people! You cannot live like a king on a pittance." He decided to become a "businessman." As a start, he promised his colleagues that he would obtain video equipment for them. He took R2,800 from them for this purpose.

However, it turned out that it was not so easy to acquire the necessary goods—the dealers do not let outsiders near them. And the money was quickly spent. Kutsenko borrowed the necessary sum from some aquaintances, but with interest. And so a debt started to grow and in time turned into a significant sum.

Kutsenko's life became a nightmare. He borrowed money from some people, repaid it to others, looked for luck in gambling, sought good fortune in the sports lottery, and speculated at the Rizhskiy market. The illegally earned money came and went, but the debt remained.

The last creditors turned out to the most impatient. They set rigid deadlines and threatened him and his family with violence.

And then Maj. V. Kutsenko, junior scientific associate at a Ministry of Defense scientific research institute, thought of treachery. He decided to sell secret documents he had smuggled out of the institute by deception.

The foreign firms of Siemens and IBM and the Japanese NHK television company's bureau refused Kutsenko's services.

"I thought that foreign intelligence agents worked there," he said on this subject at the military tribunal session.

Nevertheless, the junior scientific associate did not give up his aims, continued to look for "customers," and attempted to make deals with diplomats from a number of countries. But the KGB staffers stood in his way...

Soyuz Leaders Dissatisfied With Congress

LD1101234491 Moscow TASS in English 1947 GMT 11 Jan 91

[Text] Moscow January 11 TASS—"The group of USSR People's deputies Soyuz succeeded in pursuing their own line at the fourth congress, aimed at preserving the federative set-up of the state and its name as the Union of Soviet Socialist Republics," said Yuriy Blokhin. The chairman of this group of deputies in the union parliament made a statement for journalists today after a meeting of Soyuz's coordinating council.

At the same time, Blokhin and Yuriy Gninenko and Yevgeniy Kogan, members of the Soyuz presidium and

USSR people's deputies, emphasised their dissatisfaction with the congress's failure to conclude an economic agreement. It also passed over in silence the causes of the general crisis in the country, which Soyuz sees in the absence of the blueprint for political transformations in society. Blokhin thinks that the congress failed to elaborate the strategy for pulling the country out of crisis.

Members of the Soyuz's presidium emphasised that the authority of their group that represented the majority of the participants in the congress had increased. They said the group's membership grew from 561 to 720 by the end of the congress.

Speakers at the press conference named the immediate tasks faced by Soyuz. These are monitoring the fulfillment of the congress's resolutions, elaborating the general concept for overcoming crisis and participation in forming government and management bodies in the country. Deputies intend to help prepare and conduct national referenda.

Asked about land reform, members of the Soyuz presidium said that they opposed the purchase and sale of land and private land ownership.

Positive Aspects of Authoritarianism Noted

91UN0826A Moscow RABOCHAYA TRIBUNA in Russian 31 Jan 91 p 2

[Article by Boris Krotkov, RSFSR meritorious employee of culture: "A Speeding Troika and a Coup"]

[Text] **Rumors about a possible military coup and the reestablishment of a Bolshevik dictatorship are increasingly spreading in our country. They were reinforced by the well-known statement of E. Shevardnadze at the Fourth USSR Congress of People's Deputies. In the opinion of some press organs and a group of radical leaders, the results of the congress itself also confirmed that this is possible.**

At the congress, "the notion of authoritarian modernization prevailed" (S. Stankevich), "the rightists" (Yu. Karyakin), "reactionary forces" (V. Bykov), and "those who have reigned in the country since 1917" (G. Popov) got the upper hand. N. Shmelev believes that the word "dictatorship" uttered at the congress "became a working" word, and it describes a realistic prospect. To be sure, Shmelev immediately qualifies it substantially: "if negative trends in the economy are not arrested." However, Yu. Afanasyev no longer doubts that the center is preparing to use force, and it turns out that the well-known chess genius G. Kasparov has already figured out the timing of establishing the dictatorship—"we may be just several weeks away from it."

How do the president and his team respond to this talk? Critically. They reject accusations of having betrayed democracy and made concessions to the rightists. Moreover, they argue that the December forum played an important stabilizing role in our society.

What about the so-called rightists? It appears that they do not consider themselves such; they maintain that chaos in the country is the work of democrats, and that the latter also assail human rights.

When you back them into a corner with questions they respond that they are not even thinking about any military coup, but they do not rule out the concept that a time may come when power will be simply brought to them "on a platter," and they will be asked to restore order in the state (Colonel Petrushenko).

The question is: Who are we, the common people, to believe under the circumstances? The more I ponder this subject the firmer my opinion is that we should not believe anyone! A political struggle is picking up in our country along with the development of new economic relations. This is a power struggle at all levels, from top to bottom. Each of the opposing groups has its own tactic and strategy that the general public knows little or nothing about.

Could it be that there are indeed forces in our country that are preparing a return to Stalinism, no more and no less? Could it be that there are also those who are itching to dismember the great state and partition it into principalities? It is not worthwhile to guess, but I think that we should prepare for the worst, for possible dramatic shifts in the destiny of the Motherland. At this point, it is important to make our own determination: What do we want and at what price?

Clearly, we do not want a dictatorship of the Stalinist type by any means, categorically! Even if they ensure affluent life for us in return.

However, we do not want a continuation of the current nightmare and the chaos, shortages, high prices, slovenliness, and crime that go with it either, even if they offer us a double dose of glasnost as, so to speak, compensation.

We need the law and a rule-of-law state that would guarantee order; we need well-stocked shops, but with affordable goods. Prices may be contractual or free, but without current banditry; there may be democracy and pluralism, but without anarchy and fist-fighting. As I understand it, it is impossible to obtain all of this now without hard currency. However, as I see it, the USSR president also subscribes to this position. The democrats conducting experiments in Moscow, Leningrad, and Sverdlovsk have demonstrated what debating and non-governing authorities are all about. This means that an extra price needs to be paid in this sphere as well, for a period of time—up to authoritarianism.

This word should not scare us. There is authoritarianism and authoritarianism.

The eyes of the entire world are on Singapore, South Korea, and Taiwan at present. They are prospering. You cannot call them democracies, but these are not Hitler or Stalin-type dictatorships either. The latter were built on the arbitrary rule of dictators, and could not care less about improving the life of all social strata. The former are based on laws (perhaps, not all of these laws are good from our point of view) and severe measures taken against the violators of law.

To be sure, we are far away from an economic boom resembling that in South Korea, and we are closer to authoritarianism. Be that as it may, as an increasing number of people believe in our country, there is no other way out. Yes, this will mean a certain retreat, but this will give us hope to arrest the chaos that will sweep all of us away any minute. The first signs of this chaos are already apparent: Blood has been shed, but our society is involved in looking for the gun that was fired first, rather than determining the causes of it. The data of a public opinion survey recently carried out by the All- Union Center for the Study of Public Opinion show what condition our society is in.

In response to a question about the feelings the people began to experience in 1990, 42 percent of those polled named fatigue and hopelessness, and 42 percent anger and aggressiveness. In response to a question about what the residents of our country lack, 36 percent of the respondents indicated confidence in the leadership and 53 percent indicated real power.

You would agree that this is a signal that serious politicians cannot ignore. It would be worthwhile to hear how the Houston "Seven" and the IMF evaluate our situation. In their report on the condition of the Soviet economy and possible ways to overcome the crisis, prominent Western specialists predict further chaos, and then a military coup is indeed unavoidable—or shock therapy is unavoidable right now.

Well, foreign experts may be right. In this case, we should opt for shock therapy, in other words, drive our speeding Russian troika across a rough area to reach a highway as soon as possible. However, in this case the driver should hold the reins particularly tight.

Legal Observer Sees End of Rule-of-Law State

PM0602155491 Moscow KOMSOMOLSKAYA PRAVDA in Russian 31 Jan 91 p 1

[Article by Leonid Nikitinskiy, KOMSOMOLSKAYA PRAVDA observer for legal questions, under the rubric "January: Viewpoint": "Good-Bye Rule-of-Law State?"]

[Text] This was the second January in succession to be a month of funerals for us. But today, together with the bodies of those killed, we have buried the possibility of building a rule-of-law state in our country, taken as a separate state. After digging the grave with sapper shovels in Tbilisi, we fired a salute over it with live 5.45 bullets in Vilnius.

My newspaper colleagues have already given a political assessment of the Lithuanian (and equally, Russian and statewide) tragedy. Within the framework of the present review, we are only interested in the legal assessment of events. In brief, so as not to repeat ourselves, it can be summarized thus:

By order of the Vilnius Garrison chief, who does not have the authority to take such decisions (according to the official story), armed paratroopers who had recently been redeployed there not only turned on unarmed people, they also turned on the republic's legitimate authorities. Tanks and submachine guns responded to an indistinct appeal (I think it must have been a telephone instruction) from an anonymous committee with no de jure existence, made up of conspirators who are openly campaigning in a criminal manner for the violent overthrow of the legitimately elected authorities.

Everyone is tormented by the question of who sanctioned the fratricide and to what extent the USSR president is personally responsible for this. M.S. Gorbachev has stated repeatedly that he did not hear what had happened until the morning. Let us suppose that certain political forces, very well aware of what they were doing, exceeded their powers and did not inform the president of their true intentions, that is, they "set him up," trying to kill two "birds" with one stone: Landsbergis' policy and Gorbachev's policy. But in that case, why did the president not stand up in parliament the next morning and demand an investigation, the arrest of the putschists from the "National Salvation Committee," and the handing over of the Vilnius Garrison chief to a court martial?

Let me remind you that additional units of paratroopers were sent in to the Baltic republics and certain other republics in early January. Even then it was obvious what this could lead to. Incidentally, now is the time to inquire what progress is being made with the problems that required the troops were set in motion, or used as a pretext for it. How are things as regards the army recruitment of stubborn Baltic guys who refuse the draft—are things moving rapidly? When will they be at the firing ranges?

Soon after the tragic events in Lithuania, that inflamed public opinion and therefore the press, the president let slip that a decision "could now be adopted to suspend the Law on the Press." Formally speaking, the Supreme Soviet can not only suspend (within the framework of a state of emergency, for instance), but even repeal the Law on the Press. Yesterday they adopted it, today they have had a rethink. That is legitimate. But in that case it will be necessary once again to forget, to delete from all the files any mention of the "rule-of-law state" that never was, in which you are supposed to respect laws once they have been adopted, and not twist them this way and that.

The underlying reasons for the offensive against the press lie not in emotional irritation, but in the fact that the "fourth estate," as it is sometimes called, has no place in a state that is hastening toward authoritarianism, where once again there is only one real force. Apparently there are also problems with the separation of powers—the cornerstone of the concept of a rule-of-law state. The USSR Supreme Soviet, a few days after the Lithuanian events, carelessly dismissed itself for a vacation, giving the executive plenty of scope for further experiments. Which followed immediately.

Chronologically, the next striking move by the country's leadership was the exchange of money notes, with corresponding explanations from the newly fledged Cabinet of Ministers. At first glance this move has nothing to do with events in the Baltic or the attack on the Law on the Press. But if you look more closely, they are linked by something more than simply a contemptuous attitude to the law. After all, it was extremely well-timed, extremely fortuitous, and if anyone wanted to divert the people's attention from the tragic events in the country's political life, they could hardly have thought of a better way.

In any event, I don't seem to have heard anyone shouting out: "You are oppressing us, you Herods, with your money!" Is this any time to be rustling paper money, when the Russian people's honor and conscience are once again at stake?

But let us return to the legal analysis. The aims of the monetary reform are apparently well-intentioned, but the methods are in the best traditions of the "yesterday's men" whom everyone remembers. The executive power flouted and ignored the fairly recently adopted Law on Ownership, declaring among other things, that property is under the protection of the state. Expropriation approached "like a thief in the night" and was characterized by the presumption of guilt against anyone possessing an extra 50-ruble note, while the judicial organs, who alone have the right to confiscate property, stood on the sidelines.

I am not an expert in talking about the economic consequences of this step, but from a legal scientist's point of view, it struck a crushing, perhaps fatal, blow against the people's sense of justice and faith in law and order. The state's credit has been undermined. It has finally become clear that you cannot cooperate with them. This conclusion will undoubtedly be drawn not only by individual citizens within the country, but by the world community.

But it seems that the state has also abandoned the idea of equal cooperation with its citizens, suspecting them all of double dealing and sabotage. The USSR president's decree of 26 January on combating "economic sabotage" (for more details, see our commentary in yesterday's issue) to a great extent abolishes the Criminal Procedural Code and the meager guarantees it offers, and opens up scope for tyranny by the administrative authorities. All this is more reminiscent of the atmosphere of war communism with its characteristic appeals to be guided not by the law, but by a "revolutionary sense of justice."

Further evidence of this is provided in the joint order of Ministers Yazov and Pugo "On the Organization of Joint Patrolling by Employees (?!—editor) of the Internal Affairs Organs and Servicemen of the Soviet Army and Navy," information on which was leaked to the press early. This order, although it remains unconstitutional and has not been legally published (see our commentary in the 26 January issue), nonetheless comes into force tomorrow. And the day after tomorrow, on our enforced day off imposed as a result of the printing plant's switch to five issues instead of six, we will have the opportunity to see a real live armored carrier at the entrance to the editorial office. (As this item was going to press, it became known that the president had retrospectively "approved" the Yazov and Pugo order. So who is commanding whom?)

Again, the document proclaims sacred aims: the fight against crime. But to any professional in this field—unlike Comrade Pugo, the author of the order—it remains unclear: How precisely will an armored carrier help in the fight against crime? Why should crime fling itself under the armored vehicle? But armored equipment is certainly very effective in "...mass demonstrations by citizens—for 24-hour periods; in the preparation and holding of sociopolitical measures and on holidays—for the evening period; on free days—as necessary."

If anyone had hitherto imagined himself and his property to be safe under the protection of the law, the successive events of January finally made it clear that our power, which incorporates 70 years of the autocratic tradition, and law and order (that is, order based on law, not on tyranny and lawlessness) are incompatible. You either have one, or the other.

"We need a single approach for everyone—the Constitution, the law," USSR President M.S. Gorbachev said during the discussion at the USSR Supreme Soviet 15 January on the events in Lithuania and the reaction to them. "Otherwise democracy will be defeated. Democracy should be based on the durability of the laws and on an authority that ensures the rule of law. Otherwise we will suffer a huge defeat..."

As a statesman in the domestic and foreign policy arena M.S. Gorbachev is perhaps sincerely striving for the ideals of a rule-of-law state. But his split personality wrecks these impulses. Because as CPSU Central Committee general secretary he remains loyal to the precepts of Ilich, and Lenin said clearly:

"...It is a poor revolutionary who, at a time of keen struggle, shrinks from the immutability of the law. Laws, at a time of transition, are of provisional significance. And if a law hampers the revolution's development, it is repealed or corrected..." (Complete Collected Works, Volume 36, p 504).

This article was conceived and written for our traditional rubric "Last Day of the Month," but evidently the time has come to say good-bye to that too: Nowadays every day, for us, is like the last day. Amen.

'Vzglyad' Journalists Start Court Proceedings

91UN0889A Moscow IZVESTIYA in Russian 2 Feb 91 Union Edition p 2

[Article by V. Vladin: "'Vzglyad' Demands Court Review"]

[Text] On 25 January an application was submitted to the procuracy of Dzerzhinskiy Rayon in Moscow to institute a criminal case against USSR Gosteleradio [State Committee for Television and Radio Broadcasting] officials for standing in the way of the legitimate professional activity of journalists of the "Vzglyad" program and forcing them to stop disseminating information—in keeping with Article 36 of the USSR Law on the Press and Other Mass Media.

This application was submitted by the leader of the "Vzglyad" program, Aleksandr Lyubimov, the head director of this program, Andrey Razbash, and the leader of the "V & D" program, Andrey Shipilov. Here is what the legal representative of the "Vzglyad" program, Candidate of Jurisprudence Levon Grigoryan, had to say:

"The article stipulates liability in the form of a fine of 500 rubles. This is the first case in which it has been possible to apply it. There are no precedents. Within 10 days, beginning on 25 January, the procuracy must determine whether it will file a criminal case or give a substantiated rejection...

Sue Over Pay, Morale

91UN0889B Moscow TRUD in Russian 12 Feb 91 p 1

[Article by V. Medvedev: " 'Vzglyad' Appealed to Procurator"]

[Text]**Seven times already, beginning on 28 December, the popular television program "Vzglyad" has failed to go on the air, and now its creative collective has filed a suit with the procuracy of Dzerzhinskiy Rayon in the capital.**

Why? This question is answered by one of the leaders of the "Vzglyad" program, V. Listyev:

"There are about 30 of us in our group and we have not been paid our honorarium for more than a month now—we are living on our salaries and they are not much. Plus there is the blow to our morale: During this time we have shot several segments and the Union viewer has still not seen them. Is there any hope of a favorable outcome to this matter? Undoubtedly, it is just a matter of timing. The concern of the procuracy is whether or not to initiate a criminal case concerning the violation of Article 36 of the USSR Law on the Press. But regardless of the decision of the procuracy, a draft settlement is being drawn up. In particular, at the suggestion of L. Kravchenko, chairman of the All-Union State Television and Radio Broadcasting Company, we are now preparing our recommendations concerning this."

Interview With 'VID' Announcer Kirillov

LD0502102691 Moscow Central Television First Program Network in Russian 1530 GMT 1 Feb 91

[From the "VID," "View (Vzglyad) and Others," variety program; interview granted by "VID" announcer Igor Kirillov at Ostankino television center to commentator Dmitriy Krylov; date not given—recorded]

[Text] [Krylov] Our meeting took place in Studio No. 4 of the Ostankino television center, where most of the editorial department programs for young people are made, but we were not put off by that kind of working situation, and in that legendary television studio we agreed to meet an even more legendary television personality. His face is known to every television viewer. [Video then shows Krylov interviewing Kirillov and holding open a copy of OGONEK article "Think of Me as Something Else," about Kirillov]

Think of me as something else. Igor Leonidovich, it would be more correct to say that we came to know you as something else thanks to this article in OGONEK—a very long article, covering 2 and ½ pages. You stayed silent for so long, and then you finally spoke out, in my view very sincerely, extremely sincerely, in fact. But I got the feeling that no doubt when things spilled out after such a silence [pauses]...after that you get the feeling that there is still something that remains unsaid, that there is still something that you haven't said, perhaps the main thing. Or am I mistaken? Do you have something you would like to add to this interview of yours?

[Kirillov] The fact is that the conversation was prepared by Yelena Chekalova, a very talented young journalist, well-known to many readers. She is very impatient, and gets on with the job. We wanted this conversation to wait a little; sometimes it is useful to go back to something once again, remembering something. The conversation took place at a time when I was going through a very serious period of adaptation in a new collective, a young collective. I was worried by the fact that I was unable to carry out the mission I had been given by the television company, that is to say, to create the image of a kind of maitre de, indulgent and patronizing in his attitudes to young people. Don't worry about it! The young people will have their day and then settle down. Go on, go on! I warned in advance that I would hardly be able to do that. Later I really did convince myself that I didn't have this in me. I cannot behave like that toward people whom I regard as very decent people, if they are talented, if they are out of the ordinary, if I see in them interesting personalities. You know the feeling I get—a feeling of shyness, even, in their presence. It doesn't matter how old they are. They could be 25, they could be 30, they could be half my age, but I see that I have in front of me a personality, a talent, and I become timid, I begin to learn from this young person. That image therefore was so far removed from me that I indeed found myself at a crossroads, and perhaps that is why I did not manage to say the most important thing I wanted to say about what had happened in my life.

[Krylov] We are now giving you that opportunity.

[Kirillov] I am very grateful to you. Yelena and I even wanted to ask the printers to hold back the article to make corrections to the conversation, for it had been rewritten and compliled about 2 months ago. Lately, however, some very serious events have taken place in the life of the company, in the life of "Vzglyad," —you and all our viewers know very well—very dramatic events in the life of the young people, and here, in fact, they have shown themselves in their full strength, if one can put it that way, and I was simply [pauses]...The impression upon me now is so strong that I cannot talk about it. People opened up in front of me, people who were so vivid, who were so powerful; they conducted themselves in such a fitting way, so courageously, that they couldn't help but convince me. I was convinced that I had been terribly lucky in my life in getting into the company of young and talented people in whose hands the real future lies. And this is what I wanted to say. I remember my own generation, when we experienced the Khrushchev thaw. Those were wonderful times, but frankly speaking, we lived through it just as calmly when it went away and when winter returned once again, because in our generation, in us—and I am thinking of my generation, the children of the war—the genes had taken a very firm hold, the self-same genes; thank you, Comrade Stalin, for our happy childhood. Somehow, therefore, we took it all calmly; we held up our hands, the thaw came and went, and we reconciled ourselves to the fact that we were going to go on living that way. We became reconciled to it.

But this is a new generation. It has met [changes thought-]...They no longer have the genes that we had, clearly they aren't there, because during the severe times of stagnation, during this severe winter as I would call it, they were brought up in the kitchen, they heard the conversations of their elders. It was impossible for them to have the same kind of genes that we had, and so they received this perestroyka in a different way from the way we received it. They received it with an open heart, as they say, with a willingness to put in all their strength, their all, in order really to begin a new life and to build this life, to renew the whole of our existence, the whole of our consciousness. I simply want to say once again that I am happy to have had the opportunity to work with such people. I would like to say to them that they should remember the words of our great Pushkin. You remember? Welcome, unknown tribe of youth! I will not see your mighty, later, age. May they prosper and live long and work happily. This I do believe, that they will achieve their goal. And there is something else I would like to say if you won't cut it out.

[Krylov] Please go ahead, we won't cut it out.

[Kirillov] Even if they don't need me I still won't leave them. I'll work as a night watchman, you know, because I even come when I don't have to come. For me, just being with these people has become quite simply a vital necessity. They don't only inspire me, they enrich my life in some way, and I really do learn from them.

[Krylov] Well, despite all the political cold weather that is setting in, let's hope tha spring will come and that a new thaw will arrive.

[Kirillov] I believe in that, particularly now.

[Krylov] Well, I hope so.

Readers Criticize 'Vzglyad,' Leningrad TV

91UN0844A Moscow SELSKAYA ZHIZN in Russian 2 Feb 91 p 2

[Letters to the editor: "Letters on One Topic: On This Side of the Screen"]

[Text]**Judging by the number of letters with criticism of television programs, this topic can be called the topic of the year. We do not know how many of them were addressed to Central Television, but literally hundreds came to us. People were troubled by the low level of musical programs, excessive politicization, and the prejudice in the criticism of the Soviet system, the Communist Party, and our history. The showing of especially negative material in the evening hours, when a person in our troubling times wants to relax at least a little and take it easy, only contributed to supercharging passions, and it engendered a feeling of helplessness. The editors reported on this subject twice last year.**

Today, the character of the mail has changed somewhat. People have noted the first changes in television, and they hope that this is only the beginning. It is even stranger, note our readers, that attacks and furious criticism have been heaped on Central Television at this time. To whose advantage is this?

Today we publish a selection of letters from our readers—about television.

Is "Vzglyad" Always Right?

Before the new year, we watched "Vzglyad" ["View"] on television. We heard from people that this is an interesting program. So on Friday we turned on the television set, and right then a conversation was going on between deputy of the USSR and RSFSR [Russian Soviet Federated Socialist Republic] Starovoytova and a colonel whose name I do not recall. I was disturbed by Starovoytova's question: "But what did you win, empty shelves in stores?" I began to feel bad, as if a bullet pierced my heart, and I immediately saw the war before my eyes, from which I cannot recover to this day, although 45 years have passed.

But after the war, we immediately undertook to restore rural economy; wheat was mown with scythes, flax was pulled by hand, potatoes were dug with pitchforks, and we worked without days off, and without proper pay.

But how we worked—judge for yourself. Within two years after the war, all food products appeared in the stores—at first bread, and then butter, cheese, candy, and smoked fish. The fourth generation is growing up since the war, but life did not get better. And how are the war veterans to blame for this? Is it we who made the store counters empty?

It is vexing to the depths of the soul, when such young deputies, who received an education and who do not know the grief of war and hunger, cast a shadow on veterans. And it is shameful for the program "Vzglyad," which did not state its position and, this means, supported these attacks on us, the veterans. It was said in vain that this is a good program. Crafty young fellows take it upon themselves to judge everything that they did not know and did not experience in another time. And further, those who suffer the most in political television debates are those who cannot reply to the insult inflicted upon them.

[Signed] V. Morsunova, T. Rokina, T. Koroleva, P. Shvetsov, participants in the Great Patriotic War, settlement of Novyy Toryal, Mari ASSR [Autonomous Soviet Socialist Republic]

The Entire "Democratic Host"

While changes on Central Television are noticeable, they try from day to day on our Leningrad channel to convince us that the entire history of the soviets is a complete mistake, and they slip in questionable examples. Thus, literally the other day—17-18 January—on the program "Fifth Wheel," V.I. Lenin was depicted in the form of some kind of a monster, and it was said that seemingly some kind of cosmic forces moved into him, and that the whole revolution was the result of his mythical hallucinations that were caused by a continuous use of a food...mushrooms. And all of this is presented to the unsophisticated viewer in a scientific way from allegedly serious scientists. But the author of the interview, meanwhile, absolutely seriously emphasizes that he was able, he says, to reveal one of the greatest puzzles of the October Socialist Revolution. You can hardly top that!

Thus, where are some television figures leading us, persistently raising doubts and trampling ideals in the mud? The conclusion suggests itself. They want to aggravate the crisis, making political capital from this. For example, it was not accidental that all it took was for the popular anchor man A. Nevzorov to attempt to show the role of military subunits in Lithuania objectively, for the entire "democratic host" to pounce on him with abuse.

[Signed] A. Dmitriyeva, city of Pikalevo, Leningrad Oblast

There Are Changes for the Better

The government of one of the northern countries, as I learned recently, established a weekly day off for television, and this was done at the request of the television viewers themselves. And I thought: Why not make use of this good example? There will be time to read and talk to the children. The quality of the programs until recently evoked only one desire—to turn off the television set.

I will start with the program "Morning." Its entertaining part is filled with fragments from second-rate musical shows made in the West. Untidy and slovenly dressed, but more accurately, half-dressed girls, young men dressed in gaudy rags, and the howling and din of musical instruments, making the television set shake. Yes, and the Soviet artists are no better. They crawl out of their skins so as not to lag behind their foreign colleagues.

Kravchenko Interview, 'Vzglyad' Future Eyed

PM0402152591 Moscow PRAVDA in Russian 1 Feb 91 Second Edition p 3

["Viewer's Impression" by A. Golovenko: "Direct Discussion"]

[Text] It would hardly be an exaggeration to say that probably everyone is unhappy with television at the moment. It is criticized for its insipid movie repeats, for the excessive amount and... lack of rock music, for the all-pervading advertisements. "Why are we being punished so," Muscovite A. Tenyayev laments. "Whatever channel you switch on you get meetings, roundtables, sessions accompanied by endless showdowns and objections 'about voting motives' and so on." Yet journalism departments are still talking about television's recreational, in other words, entertainment and leisure function...

That is why the candid attempt by the heads of the USSR State Committee for Television and Radio Broadcasting to come into direct contact with the viewers, on the air, seemed very promising to me. This was the purpose of the 90-minute "Direct Discussion," that took place on Wednesday night and early Thursday morning. Since the beginning of the year it has been plain to us that television has been showing more movies, movie premieres moreover, shows, quizzes, and musical entertainment programs. This is the new concept in broadcasting, L. Kravchenko, chairman of the State Committee for Television and Radio Broadcasting, said and then added that its birth essentially coincided with the birth of television itself.

There was a very sharp exchange about granting the Russian television company the entire second all-union channel. Apparently, it is a very complex task, both technically and politically. Suffice it so say that this channel is now a means of interethnic intercourse.

I realized something else as well: Paradoxical though it may sound, at the moment Russian television broadcasting is hindered rather than helped by "Radio Rossii," and it was noted, is often distinguished not only by political extremism, but even by political hooliganism. Of course, we are all concerned about the fact that the popular program "Vzglyad" has gone off the air. Much has been written in the press about the reasons for this. But one thing is for sure: The "Vzglyad" ["View"] announcers—now Russian Soviet Federated Socialist Republic people's deputies—do not disguise their sympathies toward the "Democratic Russia" bloc. And very often all they do is expound this movement's view of events in the world and abroad. The program had become a political monopoly, contradicting the well-known decree by the country's president banning the transformation of state television into a means of propagandizing personal political sympathies. How can it be "demonopolized" as quickly as possible? Clearly, both the "Vzglyad" people and the leadership of the television and radio committee must put their minds to this.

Journalists Protest 'Political Censorship'

PM2101163591 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jan 91 p 1

[Report by O. Pshenichnyy under the general heading "Is the Truth the Same for All?": "Be Briefer, TSN!"]

[Text] The situation concerning "Vzglyad" ["View"] had not yet been cleared up before the screen started to ripple and blink during "TSN" ["Television News Service"] broadcasts. The first alarm signal had been registered: Tatyana Mitkova had refused to read out a commentary imposed on her by the leadership on the events in Lithuania. This was during the night of 13-14 January, when the entire country was stopped in its tracks by the news from Vilnius.

Each subsequent "TSN" edition was increasingly sparing of facts, and the announcers' faces were increasingly tense. It has now emerged that P. Reshetov, first deputy chairman of the State Committee for Television and Radio Broadcasting, had undertaken the practice of censoring all news.

And then, at 1500 the day before yesterday, the program did not go out at all. Fresh and authentic facts that might have shed light on the Vilnius tragedy were unwanted.

Many people waited for the nighttime news to go out, at least, but this did not appear either. Dmitriy Kiselev was to have presented that program. He told our correspondent that "Chief Shift Editor Vitaliy Miroshnikov demanded that two pieces be dropped from the program." One of them spoke of the first victim of violence in Latvia with the irrefutable obviousness of a television fact. The other recorded how Colonel Petrushenko demanded at the Supreme Soviet: "Hands off Kravchenko." Dmitriy agreed to make a compromise in the case of Petrushenko but refused to keep quiet about the killing in Latvia. Then the entire edition was banned.

In the present situation the "TSN" collective told its chief editor that journalists regard the new situation as work under conditions of political censorship, that is prohibited by law.

Yesterday, when this issue of the newspaper was being prepared, no one at "TSN" was able to say whether the nighttime news would be broadcast or not.

Pozner Interviewed on TV Programming

LD0502223691 Moscow Central Television First Program Network in Russian 1858 GMT 1 Feb 91

[Interview with Political Observer Vladimir Vladimirovich Pozner by Commentator Dmitriy Krylov in the studio; date not given; from the "Teleskop" segment of the "VID," "View (Vzglyad) and Others," program—recorded]

[Text] [Krylov] In previous editions of the "Teleskop" section we have tried to make you more closely acquainted with people one might say you already know very well indeed. Today we continue this series with a meeting with Vladimir Pozner.

Vladimir Vladimirovich, the first time I interviewed you was about three years ago and it took place here, in the winter garden of the Ostankino television center. I remember that the main question I asked you on that occasion dealt with alternative television. Your attitude was a very positive one. You supported it, but they subsequently cut out my question, as they did your reply, because in those days this was an absolutely forbidden subject. Now however it seems to me that you are becoming more of a champion of state television.

[Pozner] Why do you think that?

[Krylov] That's how it seems to me.

[Pozner] No, the fact that that's how you see it is clear enough, you have said so, but why do you think that?

[Krylov] Why? Judging by what you say at our internal staff meetings at Central Television. You always ask the question: Can this happen on state television? Referring, say, to the appearance of orthodox priests or indulgence toward the white guards defenders of the fatherland. The question is a perfectly legitimate one.

[Pozner] This is why I ask the question because much of what they ban is banned because politically it allegedly contradicts the policy of our state and I therefore say: Take this—is this the policy of our state? I just want an answer from them. I want them to say yes, the policy of our state is return to tsar, so to speak, and that's all. I just ask for explanations. That is why I ask this question because I know perfectly well that the quesiton... for it's not a question of someone watching over state policy, soneone is watching over something totally different, and this thing that is totally different is directed in the main at preventing genuinely democratic thought. But insofar as talk about the church and about the white guards has nothing whatsoever in common with democracy it can feature. So my question is from an altogether different field.

But in general I am very, very much in favor of alternative television. You and I—alright, I won't drag you into this but I, I am in an impossible position as a television journalists. If I do not accept what is taking place today on television, where can I as a television journalists go? Why will take me on? There is no other television, state or otherwise, there is no independent television, independent of the state. I'd have nowhere to go. I'd have to leave television. How can I not support ideas about alternative television? I warmly support them.

[Krylov] But if nevertheless you were suddenly to become president or leader of an independent television company what would be the first steps you would take on your first day?

[Pozner] You know if that happened I would ask to be relieved of my post because I am a bad boss. I love to do everything for everyone, it's a bad feature, and so I couldn't be allowed to take up that kind of work. But if I have to answer your question I would try to form a council representing all political trends in the country, all groups, with the exception of those who favor violence or abuse of the individual on racial or any other grounds. And this television should without fail be to reflect and to satisfy all of these different trends. That would be the main thing. And the main idea which I would try to bring home to everyone would be this, that since you are going out to a large audience and influencing them, remember that you are answerable for them, like the fox and the little prince. You are answerable for those whom you have tamed. You are answerable. So think about it. That's the main thing, perhaps.

[Krylov] What's your attitude toward the topic of the Russians overseas. This crops up nearly every day these days on our television screens, especially since you have a direct connection with this?

[Pozner] I don't have an absolutely direct connection with this. My grandfather did have a direct connection.

[Krylov] Vladimir Vladimirovich, nevertheless I would like you to explain for television viewers: Are you a representative of the emigre Russians in America? Or are you a representative of the emigre Americans in Russia?

[Pozner] What a clever question! I am a representative of the emigre French goodness who knows where...No, Actually this is all nonsense. My grandfather on my father's side emigrated from Petrograd in 1922, taking with him his wife and son, my father, when he was 14 and a half years old. Alright? I, therefore, having been born in France and having lived in France and in the United States in one way or another have seen, have frequently seen, representatives of these emigre Russians of the first wave—and I have to tell you that this so-called first wave is vastly different from the second wave belonging to the end of World War II and especially from the third wave—these are all different. Of course this topic is unusually dramatic and unusually interesting. But there are very different people among these emigre Russians. There are monarchists who to this day are ready to take up the sword and come here to fight. There are people who have always supported Russia, Soviet and otherwise, quite simply they have supported Russia, and they are very varied. This is a very interesting topic. What I cannot accept is that they make them into heroes merely because they are emigres, solely because they fled the revolution, solely because they fought against the Reds and lost. That isn't enough to make them examples for me. They are just people. They have a tragic fate because they have been deprived of their motherland. That is the same for all of them. But in the main they are very different from each other. For us however the topic is a very instructive one, I believe, because in comprehending what happened to them people here will begin both to value more highly their own country and simply to understand that such is life.

[Krylov] What concerns you most of all nowadays? I am not thinking about some immediate political situation that changes every day and every month. What worries you about life, well I don't know, over the past year perhaps? Is that something you can talk about?

[Pozner] No doubt this is going to sound very banal, you know, but more and more I think about the meaning of life. Why do we make an appearance? What are we here for? Is there some predestination in the fact that I am here and you are here? And if there is, then of what kind is it? Is there a meaning in all of this? Or not? Or perhaps the meaning lies in understanding oneself, in knowing oneself. And having gotten to know oneself, perhaps, then you will understand what you have to do. I think about this all the time, well not all the time, but a great deal.

[Krylov] Let's get back now to our television problems. According to certain ratings you are in first place. I say certain ratings because various sociological institutions carry out their own ratings among different social groups and in different social groups and in different regions. But in any event you are always to be found among the five or 10 best presenters. Don't you find it upsetting that having such a high level of popularity you only present a program on Moscow television called: Sunday Evening With Pozner? Or are you quite happy with the position of poltiical observer, a position of esteem?

[Pozner] In the first place I...and all these ranks, you know, political observer, senior editor, commentator and so on—this is very much our way of doing things. We are very, very fond of this. It's almost like in the army, you know, there are generals, lieutenant colonels, colonels, and so on. But in actual fact all of this is stupid. In actual fact the position of a person in journalism is in my view determined by two things: first, by how many people read him or view him; and second, by how much he earns from this. That is all there is to it. The fact that

I have this rank , therefore, yes, it is important for me in our country, in our hierarchical system, because when I pick up the telephone and say this is a political observer calling, at the other end there is one kind of response, whereas if I say that this is a senior editor calling, then it is quite different. This is a terrible nuisance but that's how it is.

Now as far as the program is concerned. I am very fond of the program I present on the Moscow channel. It used to be called Sunday Evening With Vladimir Pozner but since the team got tired of working on Sundays it is now going to be on Fridays and it's not going to be called Friday evening it's going to be called simply an evening with Vladimir Pozner. I would very much like this Moscow program to go out on the First Program. I would like our viewers to be able to see the Moscow Program in just the same way as we are able to see the Leningrad program. If the viewers do not like it, that is to say if we bring in ratings, then it should be taken off, not just from the all-union screen but from the Moscow screen too. But if it finds its audience then that means it is of some value and like every journalists what I love is a big audience, the bigger the better, because a journalist always seeks a large audience.

[Krylov] At the end of your program there is always the crowning moment when you are put into the chair of truth and you have to answer any question which is put to you by the viewers present in the studio and at the same time you have to be abolutely frank. Could you recall for us now the question that proved to be most difficult of all for you, or one that you were unable to answer?

[Pozner, laughing] No, I can't! Indeed I can't, I can't actually remember there having been a question I couldn't answer in that program, but speaking generally there have been I was traveling throughout the country with Phil Donohue—we happened to be in Irkutsk—and I described how when I was in the United States for the first time after a 38-year interval—not having been allowed to travel outside the country—and I described how Donohue put me on board his yacht and took me around New York on his yacht. Then he played Liza Minnelli singing New York, New York, and sailed up towards the Statue of Liberty. Then he said I was trying to persuade you to stay behind, to become one of those who didn't go back yourself. Then I said, but you see I did come back. Then someone in the audience asked me: What would you do to persuade Phil not to go back? And I was absolutely at a loss for words. I simply spread my hands.

[Krylov] Do you know the answer to that question now?

[Pozner] No. No, because it's such a wonderful question. No, of course.

[Krylov] You recently conducted two interviews, one with Sergey Stankevich and just a little later you had an interview with Anatoliy Lukyanov. I think that my journalist colleagues made a very high assessment of your work because you did that work with an unusually high degree of propriety, the questions were very precise and interesting. And another thing that is very important is the fact that you were absolutely impassive. But didn't you all the same develop some kind of attitude toward these people? Didn't you want to express it in some way, because these are indeed people from two different political camps, with different principles and different convictions? Did you have that kind of urge and was it possible for you to express your own attitude?

[Pozner] First of all let me say this: I do have attitudes toward these people, of course I do. Of course. And very firm ones even. I am not going to start telling you what my attitude is. It's none of your business, it's none of anyone's business. As the person conducting the interview I do not have the right—categorically I do not have the right—to show what my attitude is toward the person to whom I am talking. Moreover I do not have the right to argue with him. I am the interviewer. This is not an argument, it is not a discussion. I ask questions. And I must always be mindful of this: What are the questions that my viewer would ask? What do people want to know from him? What has to be found out? How can I formulate the interests of those who are now sitting by their television screens? That is what I have to be thinking about and when I ask a question and a person lies and evades the issue, then I have to ask a question to make it clear to the viewers that he is lying and evading the issue. But I have no right to argue with him.

Once again this is one of the rules of the genre. I am therefore glad that that is how you assess these two interviews, because I have to appear neutral and more likely even somewhat cold. I have to ask tough questions, that is to say like anyone else would ask, otherwise if there are no tough questions there won't be any interest in talking even, there won't be anything to talk about. As far as my attitude when I am the interviewer, my attitude doesn't matter. It simply isn't needed. Unfortunately, unfortunately, very often in our country either the attitude is visible or—you must excuse me—there is such servility, such an atmosphere of if it pleases you, such lackey-like behavior, that as a journalist I personally find it insulting. Unfortunately we see this in the 'Vremya' program, we see it in the Moscow program, and indeed generally in nearly all interviews on television. You won't see this in the newspapers because the person is not visible, though it can also been sensed in the way the question are formulated.

[Krylov] What wish would you be able to offer to our program "Telesokop"?

[Pozner] You know I have seen "Teleskop." I think I have seen two editions of "Teleskop", one in which I took part I didn't see, I was traveling. You know that I would be able to look you in the eye and tell you that I didn't like it, and I would say so. If therefore I say that I do like it it isn't because...It's simply because I do like it. I think it is very interesting program. From the professional point of view though I wish that it included fewer of your own assessments, fewer of the assessments, that you make during the program. You are now interviewing me. Well don't make assessments of me. Let the viewer do that, and so on. That always pays. You give an assessment of my program. I give an assessment only when I'm sitting in the chair, then they ask me for it. You understand? But asking oneself for an assessment—somehow there's no point in it. And I consider that a program that opens up television, as it were, not so much the kitchen as the kinds of programs that are being made, the people who are working in television, what they are like when they ar not taking part in their programs—all this is simply very interesting. So I simply express the wish that you continue, and if you do continue, then the program will get better, it couldn't be otherwise.

[Krylov] Thank you for the interview.

Journalists' Union Holds Congress in Moscow

TASS Reports on Opening Day

LD0502101491 Moscow TASS in English 0924 GMT 5 Feb 91

[By TASS correspondent Lev Aksenov]

[Text] Moscow February 5 TASS—The seventh congress of Soviet journalists opened here today. More than 700 delegates have assembled at the congress, representing the country's biggest association of intellectual workers.

The congress is to be the last one in the history of the Union which has existed for the past 30 years. Taking into account the changed situation in the country, the current process of renewal of the Soviet Union and new conditions under which media people have to work, delegates intend to endorse a treaty on the formation of a new organisation—a confederation of journalists' unions. The document will be subject to ratification by journalist organizations which will join the confederation.

The forum will last three days.

Discuss Problems

LD0502233691 Moscow TASS in English 2159 GMT 6 Feb 91

[By TASS correspondent Lev Aksenov]

[Text] Moscow February 6 TASS—The Seventh Congress of the USSR Journalists Union began here on Tuesday, with more than 700 delegates attending.

The congress is expected to transform the Journalists Union into a confederation of journalistic unions with due account of the changed situation in the sountry.

On insistence of a number of delegations, the congress is also expected to discuss an item concerning the observance of the law on the press by Leonid Kravchenko, a USSR people's deputy from the Journalists Union and chairman of the USSR State Committee for Television and Broadcasting.

The activities of Kravchenko, who became the committee chairman last year, have been criticized by the public, including journalists, who accuse him "stifling" a number of popular tv programmes, including the socio-political programme Vzglyad (Viewpoint).

Ivan Zubkov, chairman of the board of the USSR Journalists Union, made a report, favouring the transformation of the Journalists Union into an organization capable of monitoring the implementation of the law on the press and effectively upholding the professional interests of journalists.

Notwithstanding the diversity of views voiced in the debate, no one question the need to restructure the Journalists Union. Unfortunately, the lack of political culture, that manifests itself in the country now and then, was also reflected at the congress.

Attempts were made to boo unwelcome speakers. Some speeches reminded one of the classical "reports on the work done" of previous years.

Delegates listened with interest to a speech by Mikhail Nenashev, chairman of the USSR State Committee for Publishing.

Speaking about the responsibility of journalists for shaping public opinion, Nenashev said that the committee, under the provisions of the law on the press, registered approximately 1,500 publications in recent months alone.

More than 600 publications were registered by Russia's Ministry for the Press and News Media, and more than 300 by the Moscow City Council. Out of this number, a half are new publications, including over 200 privately-owned.

The journalists congress is to end on February 7.

Lukyanov Addresses Congress

LD0602203891 Moscow TASS in English 2010 GMT 6 Feb 91

[By TASS correspondent Lev Aksenov]

[Text] Moscow February 6 TASS—A journalist's responsibility—this topic keynoted today's session of the seventh Congress of the USSR Union of Journalists.

Practically all speakers raised this issue. Azerbaijani, Uzbek and Crimean Tatar journalists said that in the current extremely tense situation every single word in a newspaper, magazine or tv report about inter-ethnic relations assumes special importance.

In this connection, some central news media were taken to task for failing to grasp the great impact which their materials may have on public opinion.

The Congress was addressed by USSR Supreme Soviet Chairman Anatoliy Lukyanov who spoke about the importance of a journalist's position and responsibility. He rejected as unjustified allegations that "an offensive on glasnost" is under way in the country.

Lukyanov said that the fourth session of the national Parliament focused on the responsibility of a journalist and not on the cancelation of the press law. No one is going to abolish this law. It must operate to ensure the rights of journalists and enhance their responsibility before the state, before the people.

In this connection he told delegates that the Presidium of the Supreme Soviet and the parliamentary committee on glasnost, rights and appeals was instructed to elaborate issues of enhancing the objectivity of news media.

Lukyanov said: "We need to keep our revolution of renovation inside the peaceful shores. This is the most important task." The union leadership, he noted, "counts on the support of the press and not its antagonism".

In the afternoon the participants in the Congress finished discussing the report. When debating the future form of a new-look union of journalists the majority decided that the journalists' union should be built on a confederation basis.

The congress will end on Thursday.

Kravchenko Interviewed

LD0702214491 Moscow Central Television First Program Network in Russian 1800 GMT 7 Feb 91

[Report on the Seventh Congress of the USSR Union of Journalists in Moscow on 7 February by correspondent Chernysheva, including interview with Leonid Petrovich Kravchenko, chairman of USSR State Committee for Television and Radio Broadcasting, Gostelradio, at the congress; from the "Vremya" newscast—recorded]

[Excerpts] The Seventh Congress of the USSR Union of Journalists ended its work today. The words on a confederative basis have now been added to its title. All three days passed turbulently and fairly anxiously. This of course corresponds to the state society now finds itself in.

[Chernysheva] The main news items from the congress are these: the setting up of a new USSR Union of Journalists on a Confederative Basis; and the election of Eduard Sagalayev as chairman of the reformed union. The congress denied the accusations put forward against Leonid Petrovich Kravchenko, chairman of USSR Gostelradio.

Now the news in depth. As the Congress started proceedings this morning, the mothers whose sons died while under compulsory service came to have their say. The congress participants stood in honor of the memory of those who perished. Then the congress proceeded according to the scenario of any other congress. We now have plenty of material for comparison. Those taking part in the debates did not listen to one another. The same decisions were put to the vote over and over again. Nevertheless, the USSR Union of Journalists on a Confederative Basis has been created. The aim of the union is to establish and implement the principles of free speech and the press, and also to defend the interests, rights, honor, and dignity of journalists. [passage omitted]

Everyone waited for Leonid Petrovich Kravchenko, the USSR Gostelradio chairman, to make a speech. The indefinite nature of central television gives reason to broadly interpret whose interests should be expressed in the programs of television broadcasting. The discussion which concerned you directly has just ended. The Congress denied the claim laid by a number of delegates. But I would nevertheless like to repeat the question. Could you tell us briefly how you imagine pluralism in television.

[Kravchenko] I think that the most correct way we could approach the matter is by representing, in the framework of our political programs, all views, however they may vary, and even those diametrically opposed. For example, I used to like the "Counter View" section of the "Vzglyad" program because it offered a quick cross examination of the interviewees, who could thus express their differing viewpoints. If "Vzglyad" had adhered to this position precisely, I believe there would not have been any problems at all.

[Chernysheva] The Congress also adopted an appeal by journalists to the USSR president on the rights and responsibilities of correspondents in the performance of their duties, and confirmed the calls regarding the impermissibility of using any armed formations against his own people. The Congress also expressed fears regarding the war in the Persian Gulf. With this the congress ended its work.

[Announcer] The press is sometimes described as the fourth power in the state. Perhaps whether the union will exist and in what form will depend in many respects on the mass information media, too.

New Chief To Fight 'Censorship'

LD0802102291 Moscow Central Television First Program Network in Russian 2124 GMT 7 Feb 91

[From the "Television News Service" program]

[Text] Today Eduard Sagalayev became the chairman of the council of the USSR Union of Journalists. He is 44. The name of Sagalayev is linked with television programs such as "The 12th Floor", "Vzglyad," and "Seven Days." On the day of his election, Eduard Sagalayev announced, especialy for TSN, that he will fight for the observation of all points of the law on the press and in particular against political censorship, which is forbidden by law.

Congress Concludes

LD0702180391 Moscow TASS in English 1742 GMT 7 Feb 91

/[By TASS correspondent Lev Aksyonov]

[Text] Moscow February 7 TASS—The seventh congress of Soviet journalists ended here today by declaring the Union of Soviet Journalists a confederative body.

During three days, 700 delegates representing tens of thousands of mass media workers discussed the role and responsibility of journalists and their social and material protection in highly politicised society.

On the last day, delegates elected a new chairman of the union.

Four out of six nominees withdrew their candidatures and of the two left, the winner was TV journalist Eduard Sagalayev, 45.

Sagalayev told TASS that the union's activities should "protect not only glasnost and objectivity but provide social protection for every journalist".

Sagalayev, a communist himself, called his own political stand "tolerant towards other opinions, except for" extremism and appeals for confrontation, division or crisis“.

The congress, at the initiative of the Leningrad delegation, adopted today an appeal to President Mikhail Gorbachev and the national and republican parliaments, urging them to refrain from the use of military means to settle civilian conflicts.

The congress was also addressed by Leonid Kravchenko, head of the Soviet State Committee for Television and Radio Broadcasting.

Kravchenko has held this post for two months and has bee“n severely criticised for banning "inconvenient“ TV and radio broadcasts.

The delegates called for a prompt development and adoption of a law on radio and television.

PRAVDA on Congress End

PM1102105391 Moscow PRAVDA in Russian 8 Feb 91 Second Edition p 3

[Report by N. Demidov and S. Oganyan: "What Next, Colleagues?"]

[Text] The third day of the work of the seventh congress of the USSR Journalists' Union (to whose name an important detail has now been added—on a confederative basis) showed particularly graphically that essentially it was badly prepared.

From the first minutes the congress yesterday was suddenly placed on the verge of splitting up. This happened during the discussion of the question of who could be the subject of the treaty on the new Journalists' Union—the creative organizations of all republics or only union republics? And then what about Moscow and Leningrad, where Journalists' Unions already exist at city level? It cost the delegates considerable effort to reach a compromise acceptable to all.

But the intellectual ferment did not abate there. The surprises, and far from pleasant ones, continued. It turned out that the delegates had to hand virtually not a single draft of the many very important documents. After all it was to adopt them that the journalists had come from all corners of the country. The treaty on the new creative union was adopted with great difficulty and only after the delegates had grown tired of voting for numerous amendments after only hearing them. This treaty was adopted as a basis and the Journalists' Union Council was instructed to complete work on it as a whole and adopt it.

A far sorrier fate overtook all three resolutions submitted for discussion: "On the economic protection of the periodical press and other mass media," "on journalists' responsibility," and "on the protection of journalists' rights, honor, and dignity." It emerged that the documents each existed only in a single copy and few of the delegates had seen them.

"Judge for yourselves," said perhaps one of the most active participants in the congress, Yu. Shakutin, chairman of the Moscow Journalists' Union committee for the protection of freedom of speech and journalists' rights. "Such a serious resolution on responsibility contains many legal inaccuracies. We were asked to adopt it after hearing it only, without thinking of the consequences."

The delegates probably acted sensibly in deciding to pass on all the resolution to the Journalists' Union Council to complete work on them.

There was an active discussion of the nominations for the post of chairman of the new union. As a result two of the numerous candidates remained—E. Sagalayev (Moscow), and M. Barmankulov (Kazakhstan). The former was elected by secret ballot.

And so the congress has ended. With what did the delegates come to its conclusion? First, a new principle for the structure of the creative union. Second, a change of leadership. What next, colleagues?

'Radio Rossii' Accused of Biased Reporting

91UN0812A Moscow PRAVDA in Russian 29 Jan 91 Second Edition p 3

[Letter to PRAVDA from Dr. Yu. Korshikova, Moscow: "Foul-Smelling Noodles—From the 'Radio Rossii' Recipe"]

[Text] **In the morning as we are getting ready to go to work, we hear the disquieting and scheming call sign of**

Russian Radio—mouthpiece of the so-called "democrats" for whom the majority of Moscovites voted, including myself, in the hopes that the reins of government would fall into the hands of honest, principled people.

All the people expect from the mass media objectivity and respect for readers and listeners. But what do you get in actuality? You listen to events in the Baltic with a sinking heart, especially in Lithuania. You want to understand why all this has taken place, what must be done to ensure that a similar situation does not arise anywhere else. People listen to the reports just as tensely as they once heard information from the Soviet Information Bureau.

Russian Radio explains everything in simple fashion—good people, patriots in the Baltic republics are fighting for independence. They want to rid themselves of the Russian occupiers and secede from the USSR. The bad people are the communists, the Army, and the Union Government headed by the USSR president, all trying to impede their efforts to build sovereignty. From this it is clear to any fool what a Russian must do for his tranquility and well-being. For the sake of argument they just pull out at random a quotation from Otto Latsis' article, "I Fear a Political Chernobyl," a serious work with deep significance. But they take it from the portion where he is discusses the legal responsibilities of people guilty of bloodshed. For some reason they leave out lines from the same article where the author writes about the merits and political errors of the Lithuanian leadership, about blame for the tragic events lying squarely on the shoulders of Landsbergis.

Not sparing any time to discredit Leningrad television journalist Aleksandr Nevzorov and promote the presentation of the people's deputy from Lithuania, Russian Radio for some reason has not taken the trouble to conduct an interview with military people and their wives. This does not tally well with freedom of speech and pluralism of views! They have not found any space or time to express sympathy in their broadcasts for the loved ones of our soldiers who burned to death in Uzbekistan, or for the orphaned son of Azeri journalism, no room for an analysis of the policy of "sovereign Georgia," where upon triumphant proclamation of freedom and the victory of democracy there arose a bloody conflict with South Ossetia. Their reporting on events in the Baltic did not even find room for the view of Boris Oleynik, chairman of the Soviet of Nationalities of the Union parliament, to the effect that sovereignty must not be built upon discreditation of one portion or another of the republic's population.

Now to treat our history, about which Russian Radio also says quite a bit. How do you prove once again that Soviet power—and consequently communists—has delivered nothing good for Russia? You do it with the help of Mrs. Malakhovets' cookbook, by which it turns out that prior to the revolution the Russian people were fed exclusively from the recipes in this book, using the freshest chickens and rosy suckling pigs. Why then with such a sweet life did a revolution take place?! I don't understand! And just how the majority of Russia's illiterate people read this book—is also unclear! And showing how the simple people of Rus used to eat are the storyteller's words about crow's feet, which he himself never ate but heard about from his uncle—how the landowner-gentleman used to eat such things...

Truly, when you listen to "Radio Rossii" broadcasts, you have to agree with the opponents of the "democrats" that we are seeing not a de-politicization, but a re-politicization. Clearly, Russian Radio is cooking noodles—foul-smelling noodles at that. And it is brazenly hanging them from the ears of the Russian reader.

Tendentiousness has never been useful to a cause. This is shown through examples from the mass media during the pre-election campaign period. It has brought surprises which were entirely unexpected, and may well present them again to those who show disdain for standards of political struggle.

Official Cited on Newspaper Deliveries

PM1202111191 Moscow PRAVDA in Russian 30 Jan 91 Second Edition pp 1, 3

[PRAVDA News Desk feature: "The Paper Has Not Come; Why? Mailman Is in No Hurry"]

[Excerpts] Our readers are seriously perturbed: In their telephone calls and letters to the editorial office they ask one and the same question—why have things gotten so bad with regard to the delivery of PRAVDA and other newspapers? Often fresh issues reach the subscriber only by lunch time or even a day or two late. When will the delivery of newspapers and journals be organized normally? In the search for an answer to these urgent questions, PRAVDA correspondents carried out special swoop assignments. Here are their reports. [passage omitted]

But What Does the Chief Culprit Think About It?

"Recently rebukes leveled against the mail services of a number of regions of the country have indeed become more frequent," Boris Petrovich Butenko, chief of the USSR Ministry of Communications main administration for mail communications and the distribution of the press, announced in a talk with PRAVDA correspondent B. Pipiya. "What is happening? I shall begin with the fact that this year mutual relations between us and the publishing houses have changed completely. In accordance with the Law on the Press, the distribution of the output of the mass media is now done by the publisher directly on a contract or other legal basis by communications enterprises, other organizations, and also citizens.

"In other words, today there are legal and economic forms of responsibility. The publishing houses are responsible for their work from start to finish. Many of them have concluded contracts with us for 1991 for the delivery of newspapers and journals to the population. But if we are speaking of legal relations and tough contract terms, they are sometimes difficult to fulfill and we have to make some concessions. The population cannot be left without the press.

"Most often rebukes are heard against the mailmen—it is said they are in no hurry. As is well known, the mailman's work is no picnic. To ease it in some way, it was decided to grant mailmen throughout the country the same day off—Sunday. On the other days of the work, be it 1 May or 7 November, the newspapers must be delivered. But some mailmen reckoned that they should also rest on holidays. So in a number of places subscribers did not receive the press of 1 and 7 January.

"The biggest problem for us today is transport. Previously the mail was regarded as privileged freight in air shipments. Now priority is given to passengers, and newspapers, because of the lack of aircraft and fuel, lie around at airports; sometimes we are even obliged to send them by train. Our pool of mail cars is about 5,000. Over half of them have come to the end of their working life and should be written off. In 1989 we received 120 cars but last year their number was three times fewer. The picture is the same as far as trucks are concerned. One-third of the agreed number of vehicles never reached us.

"If you take Moscow, as of today we have an accord with the Moscow City Soviet on the servicing of the city's communications centers by the capital's truck combines and taxi pools. But soon the Moscow communications workers will be left without transportation. About 700 taxis are earmarked just for the morning distribution of newspapers in Moscow. What are we to do when they are not there? To all appearances we will have to cancel the contracts with the publishing houses through the court.

"A truck used to cost us five rubles [R] an hour, then R5.6, then prices jumped to R10-15. We recently received a letter from the Ministry of Railroads: As of 1 March 1991 the following rate is being introduced per car-kilometer: 31 kopeks, while the figure used to be eight kopeks. Where is the money to come from?

"In the past we ran at a loss and lost R1.3 billion on the delivery of newspapers. Now prices for printed output have on average been doubled. The communications, paper, and printing plant workers shared the increase. But the new rates helped us only reach the normative level of profitability. We are not subsidized by the state and, without sufficient revenue, cannot raise the wages of mailmen and thus strengthen the delivery service. It is mainly women who work as mailmen for us and the cadres turnover rate sometimes reaches 25 percent.

"It takes 5-6 hours for a newspaper to make the journey from the printing plant to the subcriber's mailbox. Taxis for the distribution of printed output are ordered for a set time. Mailmen who also work in communications departments also distribute newspapers at specific times. And if the editorial office or publishing house for one reason or another delays the newspaper's publication this is a heavy burden for the communications workers. The taxis go away, the mailmen with other jobs go to their permanent work. What prompt delivery can there be then...

"Given this situation in the immediate future we shall scarcely be able to please subscribers with any qualitative improvements in the mail service. Because we cannot be answerable for the work of the railroad workers, airmen, motor transportation workers, printing plants, and so forth. In our country the mail has been farmed out to the embryonic market economy. In all developed countries the mail is a state service and the state determines the regime for its operation, watches over the mail, and correspondingly over the inhabitants of its country.

"And I believe," B. Butenko said in conclusion, "that the Soviet mail too should remain a state mail and should be firmly backed up by a state order with regard to material resources. Then normal work will be set up for the delivery not only of newspapers and journals but also of parcels and printed matter, letters and telegrams, and money transfers."

From the editorial office. Of course, Comrade Butenko's commentary instills no special optimism. Today the communications workers have been given great rights—to determine independently the sector's policy, which includes deciding questions of delivery—and they have been allocated considerable funds. Understandably, the mail workers have plenty of difficulties. Only surely that does not make it any easier for the subscriber, and do we have the right to doom him to the mass of inconveniences and trouble reported by the PRAVDA correspondents?

Press Committee's Nenashev Interviewed

PM0602164191 Moscow IZVESTIYA in Russian 1 Feb 91 Union Edition p 4

[Interview with M.F. Nenashev, chairman of the USSR State Committee for the Press, by correspondent G. Alimov; place and date not given: "M. Nenashev: "Staff of State Committee for Press Will Be Halved"]

[Text] Mikhail Nenashev, who has already held the post of chairman of the USSR Goskompechat [State Committee for the Press], after 18 months' work as leader of the State Committee for Television and Radio Broadcasting, has returned to his former post. This is a very rare occurrence for the Soviet practice of cadres placements. What lies behind this appointment? Your IZVESTIYA correspondent met with Mikhail Fedorovich Nenashev:

[Alimov] The president's recent decree on your appointment after coordination with the USSR Supreme Soviet will enter into force. You cannot enter the same river twice, the philosophers taught us. How do you yourself explain what has happened?

[Nenashev] If you paid attention to the text of the decree you probably noticed that it was not simply a mechanical reshuffling of cadres. The appointment was made by the president with specific instructions. I shall recall them briefly: carrying out a radical reorganization of the Goskompechat in connection with the introduction of the law on the press, the need to ensure in practice citizens' rights to receive and disseminate information, the expansion of the rights and powers of publishing houses and typographical enterprises, and the demarcation of the functions of central and local organs of management. And a second instruction stemming from the first is to submit proposals for the transformation of existing state structures of the press and information, bearing in mind that the sphere of the production and dissemination of information under the new economic conditions is in need of state support and economic and legal protection. The president probably reckoned that for that my experience of work in the press, in the former State Committee for Publishing Houses, Printing Plants, and the Book Trade was suitable.

[Alimov] To "close" the subject of television immediately: Do you think that you succeeded in doing everything you planned?

[Nenashev] As one wise man put it, I did slightly more than I could but far less than I wanted. Let people judge the rest and compare what used to be and what has happened...

[Alimov] Fine, let's return to the president's two instructions. How do you intend to implement them?

[Nenashev] All recent experience speaks in favor of transforming the amorphous Goskompechat into a mobile ministry—for the press and information. It will be formed on an absolutely new basis. We intend to reduce the numerical strength of the former committee by at least half. A minimal but highly paid apparatus will be left and people will be taken on only on a competitive basis. Ultimately result the ministry should be made to cover its costs—to take nothing from central funds for its maintenance, but to earn its keep.

[Alimov] Committee or ministry, forgive me, it all comes down to the same thing, it is of no importance in principle. Something else is important—is this structure necessary at all?

[Nenashev] I believe it is. Why? Let's discuss it. For a long time the entire sphere of press and information, you know it well, was controlled from one place...

[Alimov] You have in mind the CPSU Central Committee agitation and propaganda department?

[Nenashev] Yes, the agitation and propaganda department, where all questions of press and information were decided. Essentially there was no state structure for managing this sphere at all. Remember the subscription campaign. The decision was taken by the Central Committee and quotas, deadlines, volumes of retail trade and subscription and the opening and closure of publications were clearly defined... Now the agitation and propaganda department has ceased to perform these functions. Under the new democratic conditions of our society's life the role of the state itself and its organs in the management, legal regulation, and defense of state publishing houses and the periodical press is increasing.

The law on the press creates a fundamentally different situation in the sphere of the press and the information market in general and puts a lot in place here. And the State Committee cannot limit itself merely to registering publications, we must think about how to create a mechanism which would make it possible fully to ensure the observance of the law—both by the state and by the owners of publications. We are now faced with many tasks—purely state tasks. For instance, we still have no copyright—we are acting like barbarians here. There are no foundations for legislation on publishing or radio and television... Who will engage in that? The ministry for press and information must tackle this in earnest.

[Alimov] In his instruction the president speaks of the need for state support for the production sphere and the dissemination of information. How do you understand that?

[Nenashev] You don't have to go far. The extremely acute situation which the newspaper editorial offices had with regard to signing contracts with paper suppliers was resolved recently. As is well known, paper has become dearer, as a result of which there has been an increase in subscription costs. Now that the results of subscription have been summed up the publishing houses have been on the point of signing contracts on paper. Nothing has come of it. The newspapers were asked not for 600-800 rubles [R] a tonne as agreed before the subscription but for R1,000-R1,500 as against the old price of R230-260. Newspapers like TRUD, KOMSOMOLSKAYA PRAVDA, IZVESTIYA, PRAVDA, and LITERATURNAYA GAZETA essentially could sustain the ultimatum prices demanded only for three to four months. Then they would be bankrupt. The state's immediate intervention was required. A tonne of newspaper paper, according to the USSR State Committee for Prices, will now cost R880.

We must think seriously about and elaborate an integral policy of protectionism in defense of state book publishing and in general of the books people need. This clearly formulated policy should be a policy of preferential prices, a tax policy. I believe it should extend to children's literature, to scientific books, encyclopedias, books for libraries, especially school libraries.

Our ministry will also have to be allocated specific resources. If all the paper and all the facilities are thrown onto the market then of course we will not be able to protect books. A certain minimum of resources is needed to ensure the policy of state protectionism. We hope that this policy will also be supported by various foundations—with their own assets. We want to create a special fund under the ministry for this—a fund for the development of the press and information. Then we could finance and support avenues most necessary to society but economically unattractive to nonstate capital. The market is not only a boon for the press and culture as a whole. We should not forget that culture's relations with the market are always complex.

[Alimov] All that is so, but are there not attempts here to save the state monopoly?

[Nenashev] It depends what you understand by it. I shall cite the following example. As of 1989 every year there has been a decrease of approximately 200 million in the number of copies of books. What is particularly alarming is that in that same year of 1989 children's books account for 35 million of that 200 million. Last year this figure reached 50-55 million. And this with an enormous shortage! It is not only children's literature which is being eroded but also the classics and specialist literature—scientific literature and encyclopedias, especially in the languages of minority peoples. These are very dangerous trends. Under the market this literature would not survive. We need regulation, a clear and firm state policy. What else is dangerous about these trends? Economically we do not lose, quite the reverse. Having lost up to 200 million copies of books, we have a profit of about R150-200 million. Prints runs are reduced and profit and circulation increase. Of course, at the expense of different prices and different books.

[Alimov] You said the ministry will pay for itself. How do you plan to get or earn the necessary funds?

[Nenashev] We proceed from the principle that "if a ministry is necessary it must work for its keep." If we halve the staff then expenses on maintaining the "office" will be just R2-3 million a year. That is not a very large sum. Some publishing houses now, by publishing just one book, obtain a profit of a million immediately. We plan to create our own small enterprises. Only two years ago we created the "Izdatbank" in which virtually all the country's publishing houses take part. It now has R1.5 billion in its accounts. Interest is already coming in. Our committee invested its R50 million at the time. We want to achieve and will achieve the point where the bank receives the right to foreign economic activity and hard currency operations. Incidentally, our bank will also make it possible to implement a policy of protectionism to some degree.

[Alimov] Questions of reorganizing the committee to all appearances still have to be made more specific and worked through. What proposals are being submitted in this connection?

[Nenashev] For instance, there is a proposal from the USSR Ministry of Communications to transfer the Main Administration for the Distribution of the Press to our sphere. I don't like it, but they insist. Probably there is a reason for it: The system will collapse otherwise. It is essential to create a unified centralized system. The USSR Ministry for the Press and Information would coordinate questions of subscription and retail sale. Retail sales will grow and subscription will decrease. We are advancing toward that.

We want to take under our wing the long-suffering enterprises which produce printing equipment. In recent years these 12 plants have been "kicked" from one ministry to another. We are thinking of creating on their basis a concern which would join the association of printing workers which is being organized.

The Main Administration for the Protection of Military and State Secrets in the Press. It will probably come to us. That is also logical...

Concern Expressed Over Press Law, Censorship

Press Law Suspension Viewed

PM0602162091 Moscow MOSCOW NEWS in English No. 4, 27 Jan-3 Feb 91 p 6

[Yuriy Karyakin article: "Shall We Bottle Up the Genie Again? A Contribution to Debate on Freedom of the Press"]

[Text] I was surprised, rather flabbergasted, by the President's lightness of tone and ease with which he proposed that: "We can now adopt a decision to suspend the Law on the Press".

But I was neither relieved nor inspired by the lightness with which the President immediately retracted his proposition.

That episode explictly revealed the fragility and vulnerability of Soviet democracy in general and glasnost in particular.

I would gladly be mistaken here, but I can't help thinking that should the President really put to vote his proposition for the Supreme Soviet, it could well be carried, even to the joy of the Supreme Soviet. I can imagine the President's reaction if I were to discuss ther matter with him: "You again overdramatize the matter!"

But I do not in the least. They say that a word spoken is past the point of recall, but the President managed to recall it. I would hate to lie to myself or anybody else, and must ask: what is behind this ease and lightness of tone? The President tabled a proposition and some proposition it was! —and immediately withdrew it. What was that: a slip of his tongue or a meaningful mistake revealing his thoughts? Or rather was it carelessness or precise calculation, ballon d'essai?

Glasnost and the Law on the Press has since long ago been a handicap. But for whom and for what?

Glasnost was overestimated by both the left wing and the right wing, by its proponents as well as opponents. Some people were pinning excessive hopes on it, while others were equally excessively afraid of it. Almost all of us believed—some with elation, others with awe—that once "Repentance" was released on the screens, the old would tumble down in ruins.

Many people shared this illusion; once Akhmatova's "Requiem:, Solzhenitsyn's "The Gulag Archipelago", or Bunin's "The Accursed Days" are published, then...

But all that has been published already, including works too daring to be dreamed or even in the wildest of dreams. Formerly banned plays and films are being released. But to what avail? I'm tempted to say: nothing has changed essentially.

But is it true to say this? It is not.

It was clear in 1964, after Khrushchev was deposed, that several genies had been released from their bottles. However, they were rebottled later, and the bottles were sealed. But one genie left its bottle for good; Solzhenitsyn. A genie of moral awareness—Sakharov—broke out as well. Thus, the truth was sown.

Hundreds and thousands of more bottles were opened during the last six years, and their genies couldn't be enticed back inside or sealed up any more.

How can that be done? Through censorship? By people like Kravchenko? By means of calling retired people like Ligachev back to work? By jamming foreign broadcast? By reintroducing control over xerox machines?

Too much truth is out. Too many people can now know the pangs of conscience and that cowardice is abject. Courage has been reborn in many people. Thank God, individuals like Shatalin are too honest about their lives, and people like Yavlinskiy display too much honesty at the start of their careers nowadays. Too many girls have suddenly remembered that only worthy men deserve their love: too many boys have learned that truth and deed can be beautiful; and too many children will never aspire to be like Pavlik Morozov. How can all of them be subjguated? How much blood must be spilt for that purpose?

Glasnost is not like pearls for someone leading a life of abundance. Glasnost is not the exclusive realm of the intelligentsia. Glasnost is a normal moral atmosphere for normal epople. Those who are not professionally involved with the world of words—workers, peasants, the military, pensioners, the handicapped, and children—need glasnost much more than the intelligentsia. Those who are socially mute, socially injured and insulted need glasnost the most. That is the elementary and basic condition for normal life.

Academician on Prospect

PM0602172091 Moscow MOSCOW NEWS in English No. 4, 27 Jan-3 Feb 91 p 7

[Unattributed interview with Academician Vladimir Kudryavtsev; date, place not given; first paragraph is introduction: "The Priority of the Law"]

[Text] Academician Vladimir Kudryavtsev, USSR Academy of Sciences, Vice-President and USSR people's deputy, answers MN's questions

MN: Speaking at the 4th session of the USSR Supreme Soviet, President Gorbachev noted that the Law on the Press should be temporarily suspended. Although no decision has been made in this regard, the very fact that such a question was raised has caused much anxiety among Soviet and foreign journalists. For example, our colleagues from "Stern" asked if that meant that glasnost was over. Do you think such anxiety is well-founded?

V.K.: To annul a law is the prerogative of the Congress of People's Deputies, or the Supreme Soviet, or the Committee of Constitutional Supervision. Neither the President nor the Cabinet of Ministers nor any other government body—excerpt those mentioned above—is authorized to annual or suspend a law. The constitution reads: "The President of the USSR, on the basis of and in execution of the USSR Constitution and USSR laws, issues decrees that are binding throughout the territory of the country." Exactly that—in execution of the USSR Constitution. Hence, the drafters of the Law on the Press, its executors and all those concerned have no reasons to worry.

MN: Doesn't the attitude to the Law on the Press change under a state of emergency?

V.K.: The regime for state of emergency envisages, among other measures, the possibility of control over the media (law on the Regime for a State of Emergency, Article 4, Item 14). However, the state of emergency is a temporary measure instituted to stabilize the situation as soon as possible, and to restore law and order. Any amendments to existing laws that are of a principal character are out of the question.

'Restoration of Censorship' Feared

PM2201115191 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jan 91 p 1

[Article by I. Sichka under general heading "Is the Truth the Same for All?": "...But Nothing Is Higher Than the Truth"]

[Text] This can only happen in our country: After the bloody events in Vilnius, the supreme power began investigating not so much what had happened there but who is covering those events in the press and how.

Journalists cannot get accustomed to it when people start making them out as muggins and almost the ones chiefly to blame for particular failures in politics and economics. We have already "slandered," "kindled," "added fuel..." True, not always only when our viewpoint does not coincide with the official one. This atmosphere of intolerance of a different opinion or a different position is not very pleasant, but it is probably natural for a society experiencing the breaking up of old foundations.

Something is abnormal. It is abnormal when people try to deprive someone of the right to choose.

...The last day of the Fourth USSR Supreme Soviet session. The previous day, Leningrad Television had shown a documentary film taken by A. Nevzorov right after the tragic events in Vilnius. Some deputies considered it the most truthful version of what had happened (something, in their view, that many newspapers and broadcasts lacked) and suggested showing it to the whole country on Central Television's Channel 1. Others, for the sake of objectivity, suggested also showing other available materials: A news report made by foreign television journalists, the replies to deputies' questions from Defense Minister D. Yazov and Internal Affairs Minister B. Pugo... At that moment the president joined the discussion. He said that society needs objectivity and that all viewpoints must be present in the press. What if some publication does not want to print something, and the Law on the Press precludes its being compelled to do so? Then the Supreme Soviet, according to the president, has the right to suspend that law. A little later the president specified that, in general, he was not insisting on suspending the Law on the Press. But on the condition that all newspapers, from PRAVDA to KURANTY and KOMMERSANT, and all television channels, will present "the viewpoints of society, and not the positions of political groups..."

We saw for ourselves that same day how it is possible to present all "the viewpoints of society." A. Nevzorov's film, made from one position, was shown twice on Central Television that day, but the fate of all the rest of the material remained unclear. Is this television reflecting all viewpoints?

Without deciding the fate of the alternative video materials, parliament instructed the Supreme Soviet Presidium and the Committee for Questions of Glasnost to draw up measures to ensure objective coverage of events in the country.

What measures might these be? I run through the various options in my mind but cannot find one that is more or less effective. Within the framework of the law. And the latter does not permit censorship of journalistic materials or the demanding, as previously, of agreement and "advice" from higher bodies. The press has been proclaimed free, and the law protects its freedom. But for intractable publications and programs there is a radical means—a direct ban. The latest example of this is the incident involving the Television News Service.

An offensive is being conducted against glasnost, as yet the only real gain of perestroyka. Only what is the point here of an appeal for objectivity and for the various sentiments in society to be reflected? Is A. Nevzorov not subjective? They now try to present his film to us as a model (we have already been through work "according to models") of the courageous truth, although he did not even attempt to ascertain the position and arguments of the opposite side. Yes, he has a right to present his own version. But so does any other journalist. Even if this viewpoint is not to someone's liking. And without fearing that your newspaper will be closed down tomorrow or that you will be sacked.

But such a threat is perfectly real. After the president expressed the idea of the possibility of suspending the Law on the Press, our parliament certainly did not explode in a storm of indignation. And it cannot be ruled out that the Supreme Soviet Presidium and the Committee for Glasnost will report tomorrow (the direction has already been set) that they see no measures for ensuring objective coverage of life in the country other than the restoration of censorship. It is precisely then that total objectivity will set in in all newspapers...

Incidentally

Yesterday Leningrad Television showed documentary shots of the tragedy in Vilnius. Central Television's turn?

Draft 'Editorial Code' Rejected

PM2201150991 Moscow KOMSOMOLSKAYA PRAVDA in Russian 19 Jan 91 p 1

["Own Information" report: "The Press: Who Is Next?"]

[Text] Page 16 of the latest issue of MEDITSINSKAYA GAZETA was bare. The editorial labor collective had no option: The deputy chief editor had been summoned to the USSR Health Ministry, where he was presented with an editorial code that had been prepared without the MEDITSINSKAYA GAZETA labor collective's participation and had already been approved by four other founders of the newspaper. The entire section on the editorial collective's rights has been removed from the code.

We asked Yuriy Ishamayev, executive secretary of MEDITSINSKAYA GAZETA, to comment on the report:

"Yesterday evening there was a meeting of the editorial board labor collective. They rejected the draft code proposed by the cofounders, perceiving it as an attempt to pressurize the editorial collective... We also believe that the draft is a gross breach of the USSR Law on the Press and Other Media and intend to appeal to the USSR Supreme Soviet Committee on Glasnost."

Belorussian Journals Raided

91UN0737A Moscow LITERATURNAYA GAZETA in Russian No 2, 16 Jan 91 p 4

[Article by LITERATURNAYA GAZETA staff correspondent A. Kozlovich: "From NEMAN to POLYMYA"]

[Text] **Employees of the journals POLYMYA, BELARUS, and NEMAN, and the newspaper LITARATURA I MASTATSTVA who came to work saw that their offices had been thoroughly ransacked.**

Papers were tossed out of the desks onto the floor. Everything that could be moved was conspicuously moved out of place and knocked over. A burglary was out of the question. Night perpetrators "failed to notice" typewriters, telephones, and photo equipment. This means that there was a different reason... The editorial offices are located in different buildings. They are half a kilometer apart, but thugs broke into both of them on the same night.

What was this about? Recently, the editors of Belorussian literary and artistic journals have discussed the disastrous condition of national culture on many occasions in the republic press. The sphere of use of the Belorussian that was proclaimed the state language with fanfare is shrinking. Belorussian-language newspapers are switching to Russian. Literary publications eke out a miserable existence compared to party publications. The editors have expressed their collective protest against national nihilism that prospers in the republic. The topic of national renaissance has become the leading one on the pages of the publications mentioned. Suddenly, there it was: Their writings were on a trash heap, on the floor! This incident is under investigation.

RSFSR Writers Move Against Journals, Editors

91UN0730B Moscow LITERATURNAYA ROSSIYA in Russian No 52, 28 Dec 90 p 14

[Resolution of the Seventh Congress of RSFSR Writers "On the Journals OKTYABR, NEVA, URAL, and VOLGA"]

[Text] The RSFSR [Russian Soviet Federated Socialist Republic] Union of Writers is the founder of the journals OKTYABR, NEVA, URAL, and VOLGA.

Without the consent of the founder, the leaders of these publications have registered them as publications independent of the RSFSR Union of Writers.

The congress considers it necessary to suggest that the editorial offices of the journals OKTYABR, NEVA, URAL, and VOLGA annul the registration of their publications as independent and restore their status as publications of the RSFSR Union of Writers before the end of 1990.

In the event this decision is not carried out, the Secretariat of the RSFSR Union of Writers is instructed to approach the proper arbitration organs, or the courts, to restore the legal rights of the founder.

The congress finds that such actions by editors in chief and labor collectives of the journal editorial offices run counter to the norms of professional and human ethics, and relieves Editors in Chief of the journals OKTYABR (A.A. Ananyev), NEVA (B.N. Nikolskiy), URAL (V.P. Lukyanin), and VOLGA (S.G. Borovikov) from the positions held.

Demand Press Law Review

91UN0730C Moscow LITERATURNAYA ROSSIYA in Russian No 52, 28 Dec 90 p 14

[Appeal by the Seventh Congress of RSFSR Writers to the USSR Supreme Soviet]

[Text] Delegates of the Congress of RSFSR [Russian Soviet Federated Socialist Republic] Writers believe that the Law on the Press adopted by the Supreme Soviet this year suffers from substantial legal inaccuracies and flaws making it possible for the editors in chief and labor collectives of a number of literary and artistic publications (LITERATURNAYA GAZETA, OKTYABR, NOVYY MIR, YUNOST, DRUZHBA NARODOV, ZNAMYA, NEVA, URAL, and VOLGA) to usurp the founder's rights of the Union of Writers.

The congress believes that the USSR Supreme Soviet should revisit the Law on the Press, review specifically the "seizure" of literary publications, and make additions to the law to reinforce the rights of the legitimate owners of press organs.

Reports Highlight Publishing of New Papers

Writers' Union Paper

PM0702163291 Moscow MOSCOW NEWS in English No 5, 3-10 Feb 91 p 14

[Aleksandr Trigorin report: "All in a Day's Work: Inaugural Issue of 'Den'"]

[Text] "We no longer have any publishing outlets," Aleksandr Prokhanov complained at the 7th Congress of Russian Federation Writers. For portraying a glamourous image of the Soviet Army and the Afghanistan war he had been nicknamed "HQ's nightingale".

From now on Prokhanov will have his own publishing outlet as editor-in-chief of the DEN (DAY) newspaper, under the supervision of the Soviet Writers' Union. Eight broad-sheets in its first issue contain deliberations about the future of Russia and Russian literature, judging from which the newspaper's policy is crystal clear.

The front page is taken up by just one article attempting to answer the two fundamental questions, "What's to be done?" and "Who's to blame?"

As for the latter the nation's condition is blamed on *"certain forces profiting from the on-going catastrophe". "What are they?"* DEN asks, and answers its own question as follows:

"There are at least five of them.

"First. Transnational companies whose interests in pulling the USSR apart are promoted by the network of secret services.

"Second. Political and nationalist movements and groups seeking to establish ethnocratic, dictatorial anticommunist regimes with clear-cut orientation towards either Western or Eastern models of development.

"Third. International pro-fascist movements.

"Fourth. 'Shadow' (unofficial) Islam inside the USSR and Islamic fundamentalism outside the Soviet Union, but lying close to its borders.

"Fifth. Home-bred mafia structures who have been using perestroika to restructure their clans from 'international' into 'uninatinal' ones and directly orienting them towards international crime centres."

One feels greatly relieved to know that neither the readers nor writers of DEN are to blame for anything. But one shudders to think of all the enemies threatening us from every side: Western special services, multinational concerns, "shadow" Islam, etc., all dead earnest!

The second page contains another long article whose main asset is audacity. Borrowing from Solzhenitsyn, a loquacious reviewer divides the blame and spares none.

Eighth knot.

Shevardnadze. *"One must be infinitely scornful of one's audience to deceive them so crudely, knowing all the while that one's performance will be greeted with thunderous applause."*

Ninth Knot. Last but not Least the President. "As for the ways out of the crisis proposed by Gorbachev I don't feel like discussing them."

Perhaps they have nothing worth saying?

RSFSR Paper Editor on Goals

91UN0825A Moscow ARGUMENTY I FAKTY in Russian No 5, Feb 91 p 7

[Interview with USSR People's Deputy V. Logunov, editor in chief of ROSSIYSKAYA GAZETA by Yu. Vishnevskaya; place and date not given: "Have You Read ROSSIYSKAYA GAZETA?"]

[Text] **ROSSIYSKAYA GAZETA, a publication of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet, has appeared at the newspaper stands of Moscow and the Moscow area. USSR People's Deputy V. Logunov, editor in chief of the newspaper, answers the questions of ARGUMENTY I FAKTY.**

[Vishnevskaya] Valentin Andreyevich, what is the main point of the main newspaper of Russia?

[Logunov] This is the only daily publication of the Russian parliament (unlike the weekly newspaper of the RSFSR Supreme Soviet Presidium ROSSIYA).

Its main topic is the political and economic sovereignty of Russia. We publish all laws and documents that originate in our parliament. We will do everything to help the parliament, the government, and the people of Russia to develop the feeling of being free masters of their own land, to promote the establishment of economic, political, and cultural contacts with foreign countries, and to reinforce the soviets of all levels.

[Vishnevskaya] Do you consider it possible to evaluate the activities of your publishing entity?

[Logunov] Our newspaper is independent, and we are personally responsible for its objectivity and the balance of its assessments. If the editorial board disagrees with something it will say so directly. Feedback and information from the field will help us to feel the pulse of Russian life. This will provide "grassroots" input for the parliament as well.

[Vishnevskaya] The readership of Russia is multinational. How will this be taken into account?

[Logunov] Interethnic relations are a delicate topic. A department is being set up in the editorial office to handle this topic. ROSSIYSKAYA GAZETA already has its staff correspondents in the oblasts, krays, and autonomous republics that know local issues and will, hopefully, facilitate a search for solutions to them. All of us are concerned about the spiritual rebirth of Russia with all of its ethnic variety. I believe that the representatives of the Russian community abroad will help us in this endeavor: After all, they have preserved much of what has been corroded here by indifference over decades.

[Vishnevskaya] Given that ROSSIYSKAYA GAZETA is a "nonparty" publication, how are you going to cover political issues?

[Logunov] We try to objectively describe various political positions in order for the people to be able to have a clear idea of who is representing whose interests. We give the floor to various politicians reserving the right to a commentary by a journalist or a political scientist.

We will try not to make our newspaper flashy. It should be a calm publication, without labels and malice. All of us have just one desire: to survive! Whether we like each other or not, we will have to build our new house together, and bring Russia back. Of course, we will not do so without clashes and differences of opinion; however, we should strive to find a common language.

[Vishnevskaya] How did you manage to start up the publication of a daily newspaper without staff and within a very short period of time?

[Logunov] On 26 October, the resolution of the Supreme Soviet was signed, and as early as 3 November a trial issue was published... It is no simple matter to start the publication of such a newspaper. We have managed to sign a contract with the CPSU Central Committee on publishing ROSSIYSKAYA GAZETA at the facilities of the MOSKOVSKAYA PRAVDA Publishing House.

We now have an address: 109316, Moscow, Volgograd Avenue, 26. A creative collective is coming together; we have our staff correspondents. However, the collective is only forming, to be sure.

[Vishnevskaya] They have heard a lot about ROSSIYSKAYA GAZETA in Russia, but few people have seen it (except in Moscow and in the Moscow area). Why?

[Logunov] We had an agreement that, in addition to 200,000 copies distributed in Moscow and the Moscow area, the same number should be disseminated in the cities of the European part of the republic, and 100,000 in the Urals and Siberia. For a long time, we failed to secure this. However, beginning 22 January, the newspaper finally began to reach retail outlets (200,000 copies) in all republics, krays, and oblasts of the RSFSR. To be sure, this is little, but I hope that the readers will support us.

[Vishnevskaya] Incidentally, how does one get a subscription to ROSSIYSKAYA GAZETA?

[Logunov] At any post office in our country. Our index is 50202. One issue costs 10 kopeks, or 1.75 rubles per month, or 21 rubles a year. Depending on the results of our subscription campaign, we will switch to decentralized delivery in some cities, that is, the newspaper will be printed locally so that subscribers will get it on the day of publication.

GOLOS Editor Describes Goals

91UN0767A Moscow GOLOS in Russian No 1, 5-11 Jan 91 p 1

[Statement by Igor Ilyin, editor in chief of the weekly GOLOS: "We Will Come Into Our Own!"]

[Text] Our esteemed friends! You are holding in your hands the first issue of a weekly for journalists.

I have always been intrigued by the following question: Why do journalists produce newspapers for writers and sailors, trade employees and railway workers, construction personnel and drivers, pilots, and fishermen, but not for themselves? Finally, our socio- political newspaper GOLOS has seen the light of day, overcoming a multitude of organizational difficulties. We hope that this publication will be a genuinely free forum for journalists, and that the best journalists of the country will become its authors. So, a few words about the program of our publication.

In the GOLOS weekly, we will publish the most authoritative opinions of leading essayists on political, economic, and cultural events in the country and abroad. You will read current commentary on many issues of concern to the public in every issue. You will meet the leading lights of journalism from our country and the best pens of the foreign press on the pages of our newspaper. Defending the honor and dignity of journalists will rank among the foremost topics in our program. Most publications protect the interests of certain political and social groups and movements, be they left-wing or right-wing, conservative or liberal. We will attempt to remain completely independent of various influences. On our pages we will advocate the point of view of COMMON SENSE.

After all, it is no secret that while many things are lacking in our society, common sense is lacking more than anything else. Ideology is attempting to govern our economy. As a result, all of Western Europe, North America, Japan, and Australia are attempting to rescue the USSR through loans and food packages. This is humiliating to us. We have to accept all of this gratefully. What else are we to do? So far, home grown projects of economic rebirth have merely made us plunge deeper into the quagmire of universal decay.

We are tired of boorishness, of various mafia structures thoroughly fleecing us, of laws that do not work, and of complete indifference to our native culture. GOLOS is going to come out against all of this. Our task is to restore everyone's lost sense of personal dignity.

They call the mass media the fourth power. Yes, we do influence the minds and attitudes of people. There is a reason why the representatives of the administrative command apparatus who have come to the end of the line inveigh against the press in high forums: It is a pity to relinquish the thoughts and actions of the people they could at one time control completely through the newspapers, television, and radio.

Unfortunately, the old structures are not giving up. Effective this year, newsprint prices will be sharply higher. The cost of printing has gone up. Newspapers and magazines, having proclaimed themselves independent, are facing a difficult situation. KOMSOMOLSKAYA PRAVDA may suffer a loss of 113 million rubles [R], and MOSKOVSKIY KOMSOMOLETS—R9 million. It will be difficult for VECHERNYAYA MOSKVA to climb out of the hole of debt. Dozens of respected publications, and hundreds of yet little-known publications still in their infancy will have to display some resourcefulness so as not to go bankrupt. We invite you, our colleagues, to the pages of GOLOS. Let us think together about ways to survive in the harsh environment of market competition given that journalists have virtually no influence over newsprint producers and do not own printing facilities. After all, despite glasnost, we are still being held hostage by the System.

The first week of 1991 is coming to an end. What is in store for us? Is it a winter of our discontent? Is it a spring of hope? Or is it a fall of sorrow? We would like to hope that everything will be resolved and that ultimately COMMON SENSE will prevail! We would very much like to believe this. In this case, we will come into our own. We will come into our own as a great power with people as its priceless asset. We will come into our own as an equal and reliable partner for the rest of the world. We will come into our own as free individuals in a free country!

Social, Ecological Paper

LD2201181191 Moscow Domestic Service in Russian 1630 GMT 22 Jan 91

[Text] The first appearance of the NABAT [Alarm bell] interrepubican socio-ecological newspaper is being prepared. The Belorussian socio-ecological union named Chernobyl, Gomel oblast executive committee, the Japanese-Belorussian society named Chernobyl-Hiroshima, and a number of public organizations of the Ukraine and Russia have become its co-founders. The new weekly will report on the everyday work to overcome the consequences of the Chernobyl Nuclear Electric Power Station accident, issues of cultural and economic activities in the disaster zone, and questions of the resettlement of and social protection for the victims. There are plans to publish NABAT in English as well.

Independent Paper Presented

LD2201145791

[Editorial Report] Moscow Central Television First Program Network in Russian at 2128 GMT on 21 January in its "Television News Service" program carries a 2.5-minute report by Vladimir Flyarkovskiy on the NEZAVISIMAYA [Independent] newspaper. Nine editions have already been published.

Its "official presentation" took place today. He holds a copy in his hand. Its front page carries an article entitled: "The War in the Persian Gulf." He asks several unidentified individuals to give their definiation of independence, one of whom responds: "The newspaper should be independent of any section of society, and judging by its content it is clear which section: the party apparatus and the military industrial complex."

In an interview Chief Editor V. Tretyakov says: "Independence is when many intelligent people and different people say completely different things and there is a body that provides an opportunity to publish these things. Then other intelligent people, the readers, choose the things they like most. That is what independence is in my view. We are trying to produce such a newspaper."

Interpol Magazine Registered

LD1801150891 Moscow Domestic Service in Russian 0900 GMT 18 Jan 91

[Summary] A new magazine INTERPOL MOSKVA [Interpol Moscow] has been registered at the RSFSR Ministry of the Press and Mass Media. The 24-page monthly will initially come out in an edition of 200,000 copies, and it will only be on sale at newspaper kiosks for the moment. Its editor-in-chief is Professor (Bezubov), member of the USSR Union of Writers. The magazine will cover the work of the police and law and order bodies in Interpol states and of the criminal police, and will also contain detective stories. The first issue is to come out in February.

KONTINENT Weekly Published

PM1801123991 Moscow IZVESTIYA in Russian 17 Jan 91 Union Edition p 6

[Report by V. Vladimirov: "'Continent' from Province"]

[Text] The first issue of a new newspapers was published 16 January in Naberezhnyye Chelny. It is called the KONTINENT provincial weekly.

The new publication draws the attention not only by the names of the well known people writing in its first issue (A. Gelman, Yu. Chernichenko, I. Klyamkin, the U.S. scientist Stephen Cohen, and others). But primarily by its simple, honest ideology seemingly, able to unite today all sane people anxious to work. As Valeriy Pisigin, KONTINENT's chief editor, says, the newspaper is designed to faithfully serve primarily the people of Free Labor, those who do not hold out a hand with a humiliating demand for alms, who do not shout hysterically "down with!" It is with them that all hope rests: hope of establishing a democratic society, stability, and legality in the country and saturating our meager market.

I think that all those who are tired of the brawls between left and right and, conversely, are trying to live in agreement with common sense, will like the newspaper.

Consumer Newspaper Appears

LD2201171291 Moscow TASS in English 1453 GMT 22 Jan 91

[By TASS correspondent Yuriy Rublevskiy]

[Text] Moscow January 22 TASS—CHESTNOYE SLOVO (WORD OF HONOUR) is the latest newspaper to hit Soviet news stands. The newspaper is published by the Consumer Societies' Federation, led by Leningrad Mayor Anatoliy Sobchak.

The new publication aims to protect the rights of consumers in conditions of producers' monopoly and prepare society for free-market relations.

CHESTNOYE SLOVO will inform consumers about product quality and protect them legally, Consumer Societies' Federation Publishing Centre Director Mikhail Polyachek told TASS.

"At the Federation's insistence, the Soviet parliament acknowledged as invalid rules until recently applied to exchange guaranteed products," he said.

New rules are now being devised to help consumers "fully realise their rights", he said.

This work is especially important in the run up to a mass entry of foreign firms on the Soviet market, Polyachek said.

Some firms might try to flood the Soviet market with outdated, low-quality and perhaps even hazardous products, banned in their countries, he said.

In this connection, the Consumer Societies' Federation is expanding ties with the Consume Interpol organisation, collecting information about such companies and their products at the international level, he said.

The newspaper will be helping low income families, invalids and pensioners orient themselves in the new market situation, he said.

The publication will be politically unbiased but will work to preserve traditional trade and economic links within the Soviet Union, he said.

Politizdat Republishes Trotskiy Book on Arts

PM1102164191 Moscow IZVESTIYA in Russian 8 Feb 91 Union Edition p 2

[Item in roundup of IZVESTIYA, TASS, INTERFAX, and SIBINFORM reports: "L. Trotskiy's Book 'Literature and the Present Day'"]

[Text] This work reveals the author's general aesthetic ideas and his views on problems of the literary and artistic processes. The reader will have an opportunity to familiarize himself with Trotskiy's assessment of many works of artistic literature, painting, and architecture between 1910 and the early twenties of our century. The book was first published in 1923. However, for many years it was not just a bibliographic rarity but also a proscribed publication. The book has been published by the Political Literature Publishing House.

Prosecutor Turns Down Gdlyan, Ivanov Demands

PM0802150591 Moscow IZVESTIYA in Russian 2 Feb 91 Union Edition p 2

[Interview with USSR General Prosecutor N.S. Trubin by V. Rudnev; place or date not given; first three paragraphs are introduction: "Moscow Reverberations of 'Uzbek Case'. USSR General Prosecutor Replies to T. Gdlyan and N. Ivanov"]

[Text] Following the interview with the USSR general prosecutor (IZVESTIYA issue No. 8), where it was reported that a decision on the criminal case against T. Gdlyan and N. Ivanov is to be expected soon, the editorial office began receiving telephone calls and letters. Readers were asking insistently: But what kind of decision will it be? Furthermore, the editorial office has learned that the former investigators, people's deputies of the USSR and of Armenia, have sent a cable to N. Trubin. The USSR Prosecutor's Office Information Service has provided us with the text of the cable. We reproduce it in full.

"On instructions from the country's former political leadership, found guilty of law violations for mercenary purposes, the USSR Prosecutor's Office has been conducting since May 1989 and through to this day an unlawful investigation in respect of the investigative group headed by us—an investigation based on a fabricated case in pursuit of political motives. Arbitrary treatment continues to be meted out to honorable and principled Prosecutor's Office staffers Titorenko, Borov, Abdurakhimov, Reveko, Pirtskhalava, and others. Attempting to restore legality and justice, we request that instructions be issued to end the criminal prosecution against the former USSR Prosecutor's Office investigative group, and that we be notified of the decision you adopt. [Signed] T. Gdlyan and N. Ivanov, People's Deputies of the USSR and of the Republic of Armenia"

The USSR general prosecutor replied to the cable 31 January. We asked N. Trubin to brief our readers on the nature of his reply.

[Trubin] First, I replied to T. Gdlyan and N. Ivanov that their claims that "the case had been fabricated for political motives" and that this was done on "instructions from the country's political leadership" are invented. The case comprises hundreds of testimonies from citizens about their arbitrary treatment by the investigators. And what is more, most of these testimonies are fairly convincing. It was these complaints that served as the cause and substantiation for the institution of criminal proceedings. So that there are no political motives.

[Rudnev] Nikolay Semenovich, according to our information part of the criminal case against T. Gdlyan and N. Ivanov has already been submitted to a court. Does this not also predetermine the fate of the former investigators who are people's deputies?

[Trubin] Allow me to note that the case that has been started does not deal with T. Gdlyan and N. Ivanov personally, but is based on facts concerning the use of investigative methods by the T. Gdlyan group that are banned by law. The group included K. Pirtskhalava, for example. The nature of his participation in the work of the former investigative group is clear, all the evidence has been collected. Therefore it has been decided to start separate proceedings against K. Pirtskhalava, and his case has been submitted to a court for examination of the evidence. This decision is entirely in keeping with the law, and will not hamper the assessment of the activities of other members of the investigative group.

I have turned down the request by T. Gdlyan and N. Ivanov to withdraw the criminal case against Pirtskhalava from examination by a court. There are no legitimate grounds for this. Let the court decide—we have submitted the evidence of the crimes committed by Pirtskhalava.

[Rudnev] What will be the fate of the other members of the investigative group?

[Trubin] No decision has as yet been adopted on this, an investigation is under way. We do not intend to artificially break off this case, no matter who is asking us to do so. T. Gdlyan and N. Ivanov are only too familiar with the stipulations of the criminal procedure code. It is precisely for reasons of restoring legality and justice (which is what they are asking for!) that we have no right to quash this criminal case without a thorough examination of the evidence.

Now about what I personally wrote to them. Here is the text of my reply:

"If you are truly concerned about the fate of your former colleagues who do not enjoy deputy's immunity, and if you really consider the conduct of the investigative group which you headed as irreproachable from the law's viewpoint, I invite you to furnish official testimony on these questions taking account of the other available evidence... No declarations in general terms, no matter how strident they are, can refute specific evidence."

[Rudnev] Many people believe that, as soon as T. Gdlyan and N. Ivanov appear before you for questioning, you will arrest them without delay...

[Trubin] This is just tittle-tattle. Even if we wanted to do this, we would not be able to because of deputy's immunity. I believe that T. Gdlyan and N. Ivanov, getting involved in politics, have simply forgotten their former colleagues.

Supreme Court Chairman on Changing Role

PM3101124091 Moscow PRAVDA in Russian 25 Jan 91 Second Edition p 2

[Interview with Ye. Smolentsev, chairman of the USSR Supreme Court, by G. Ovcharenko at the USSR Supreme Court under the rubric "Toward a Rule-of-Law State"—date of interview not stated: "As Is the Law—Such Are the Courts"]

[Text] Each time I enter this beautiful detached building on Vorovskiy Street which houses the USSR Supreme Court, I remember the old saying: Let the world collapse, but justice triumph.

Well, taking our country as an individual case, it looks as if it certainly will collapse but justice is somehow in no hurry to triumph. With this far from original observation I began my interview with Ye. Smolentsev, chairman of the USSR Supreme Court.

"If the price of justice," noted Yevgeniy Alekseyevich, "is the collapse of the world, in this case of our society, then it will probably refuse to pay such a price. The road to justice is the road to a rule-of-law state; we are only just starting on it and it will not be easy."

[Ovcharenko] Does this mean that the current situation which is engendering crime is somehow linked to the trials along this road?

[Smolentsev] Very likely. After all criminality has social and economic roots, and in our country they are stricken with many ills. For example the stalling of economic reforms, unresolved interethnic relations, the "war of laws" which has flared up, and many other things.

[Ovcharenko] Yevgeniy Alekseyevich, at the latest USSR Supreme Court plenum you adduced statistical summaries for the crime rate. They are disquieting. What can we expect tomorrow?

[Smolentsev] Yes, the crime rate continues to grow and evidently last year will show the greatest upsurge, with the total number of crimes exceeding 2.5 million—a figure which has not been seen in the last 30 years.

[Ovcharenko] Are the judicial authorities to blame?

[Smolentsev] You were at the session of the USSR Council of Ministers Presidium and clearly remember the resolution adopted based on its findings. It notes: The measures taken by the USSR MVD [Ministry of Internal Affairs], the USSR KGB, and other law enforcement agencies combating crime, are equal neither to the seriousness of the present situation nor to the extent of the growth in the crime rate. In my view the major shortcoming here is that a significant number of criminals succeed in evading being brought to book. Consider: In 1985 the proportion of indicted criminals to crimes committed was 83 percent, but in the past two years it was only 53 percent. Now consider the courts. In my view, as is the law, such are the courts. To our courts' credit, they, in accordance with the law have begun to take a more rigorous approach to the case materials presented to them. That is, justice is now more demanding and objective than it was. But I will not hide its shortcomings either. The main one is the fear of taking responsibility. What's going on? There are still many cases when the courts do not want to make a decision—to hand down a verdict of guilty or to acquit the accused—and remit the case for further inquiry, being fully aware that the investigation has already exhausted all possibilities to collect new evidence and explanations and to clear up ambiguities. Therefore the plenum explained that the court is obliged to pass a verdict of innocent or guilty in such circumstances.

[Ovcharenko] A TASS report on the USSR Supreme Court plenum has been published. But many readers, for example V. Belugin from Krasnodar and Leningrader K. Novikov, are requesting clarification of certain points. In particular, what new elements are there in the application of the legislation on protection of the environment?

[Smolentsev] First I will say a few words on the ecological situation itself. It is extremely complex. Dozens of regions have now been declared ecological disaster zones; in 103 cities with a total population of about 50 million the maximum allowable concentrations of noxious substances in the air are exceeded by 10 or more times. In 600 cities the requisite sewage disposal facilities are not provided. It is becoming dangerous to breathe, use the water, and use foodstuffs in cooking...

[Ovcharenko] In other words it is becoming dangerous to live. But what way out is there here, Yevgeniy Alekseyevich? To make the penalties even more draconian?

[Smolentsev] To make them more effective and specific. Unfortunately, these days fining enterprises and organizations which have harmed nature, and that means you and me too, does not hit the pocket of any guilty party in particular, and the fines are depersonalized and are not put towards restoring the upset ecological equilibrium. And the plenum draws the courts' attention to this in particular: Specific individuals should bear a specific responsibility for infringing legislation on the protection of the environment.

[Ovcharenko] The country is in the grips of speculation. But at the same time the USSR Law on Reinforcing Accountability for Speculation, Illegal Commercial Activities, and Abuses in Trade, adopted in October of last year, has had a mixed reception.

[Smolentsev] The problem is our sick economy. In many countries where there are no shortages of goods, there is also no speculation. We still have a long way to go before we get to such a state. And I would not even begin to characterize the new law as an unjustified intensification of the struggle against so-called enterprising people. You see, it only affects those who are growing rich on the resale of food products and other goods, bought up in the state trade network for which there are fixed state retail prices. The USSR Supreme Court plenum proposed that the courts refrain from leniency in meting out punishment to individuals involved in particularly large-scale speculation as part of an organized group, and also to those previously convicted of this crime. I am sure that people—particularly those who owing to their low income simply cannot use the services of speculators—greeted the measures to reinforce accountability for speculation with satisfaction.

[Ovcharenko] Yevgeniy Alekseyevich, a number of readers are asking why the USSR Supreme Court plenum did not examine the USSR Prosecutor's Office protest in connection with the O. Kalugin case. Are there not hidden political motives here?

[Smolentsev] No, everything is perfectly straightforward here. According to the present Law on the USSR Supreme Court, only those matters which were notified not less than 10 days before the start of the plenum are included in the agenda—is it not absolutely necessary for plenum members, and this also includes the chairmen of the union republics' Supreme Courts, to receive the necessary materials in good time so that they can rigorously and objectively consider an issue?! The cited protest was filed four days before the plenum, and so we will examine it, as the rules dictate, at the next session. There was no political pressure put on us in this matter, nor indeed could there have been.

[Ovcharenko] With the previous question, I clearly unintentionally broached the topic of the Supreme Court's area of competence. Well then, Yevgeniy Alekseyevich, I will ask you how things look with regard to our judicial system's independence.

[Smolentsev] It is very difficult to give an unequivocal answer to this question. The new Fundamentals of Legislation on the Judiciary and the laws on the status of judges in the USSR and on liability for contempt of court have laid down specific practical guarantees for the independence of judges. In principle, we have already gotten rid of the so-called "telephone law" which certain high-ranking people used previously. But now we have "megaphone law" where people gather at rallies and dictate their will to the judiciary. The "deputies' law" is no less dangerous, whereby deputies sometimes attempt to give judges instructions on specific questions, demanding a correct decision, from their point of view, and sending threatening letters on their headed notepaper, without forgetting to remind them who elects the judges. All this is a gross violation of the law.

[Ovcharenko] Yevgeniy Alekseyevich, has this law already been applied in practice?

[Smolentsev] There have been cases. But I think that if the pressure on the courts does not stop, they will act more resolutely.

[Ovcharenko] The Fourth Congress of USSR People's Deputies ended recently, after adopting an outline of the new Union Treaty. In connection with this, do changes have to follow in the judicial system, in its structure and status?

[Smolentsev] The greatest possible widening of the union republics' rights dictates the necessity to fundamentally rebuild both functionally and structurally the system of law enforcement organs in the country, in particular the courts. At the heart of these changes should be the principle that the union republics, as sovereign states, possess all the rights to preserve law and order, independently honor their obligations to observe the rule of law, and guarantee citizens' rights and interests, with the exception of the area that will pass to the USSR's jurisdiction. The functioning of the republic and USSR courts' systems should be based on the presence of two types of legislation—Union and republic.

In the main bulk of civil and criminal cases even at the present time the judicial process is centered in the republics. Without doubt such a situation will persist in the future as well, with but one difference, that in practically all cases the judicial process will end there. It would be reasonable to make provision for an exception to this rule only for those sentenced to death. Obviously, these people should have the right to appeal against their sentences and subsequent court rulings to the USSR Supreme Court, inasmuch as each citizen of a union republic will remain a citizen of the USSR as well. Besides, such such an exception would fit in with the USSR president's right to grant clemency.

You can have no doubts that whatever form the USSR takes in the future, we will not be able to dispense with all-union legislation. You only have to take the legal relations which will arise with the use of railroad, sea, and river transport, including not only interrepublic but also international transportation. Or take disputes between union republics, or between them and the USSR, over questions of ecology, the power industry, the use of rivers and other areas of water, foreign economic activities, etc.

[Ovcharenko] And what about the area of criminal and legal relations?

[Smolentsev] Here cases may also arise with unionwide significance—concerning espionage, sabotage, terrorist activities, infringement of international agreements. There may also be ordinary criminal cases in which the interests of several republics or the citizens of these republics turn out to be affected—the hijack of airplanes, racketeering, drug problems, crimes arising from interethnic enmity.

[Ovcharenko] By the way, we know that the case of the indictment of Konstantin Pirtskhalava, formerly Gagra City prosecutor, who worked in T. Gdlyan's group, has been passed to the Supreme Court. Who is going to try it?

[Smolentsev] The Kazakhstan Supreme Court. We considered that it would not be expedient to pass this case to Uzbekistan, as it is necessary that nobody has any doubts as to the complete objectivity of the hearing. We consider that such cases, like the aforementioned ones emanating from legal relations based on all-union legislation, should not be heard by union republic courts. In order to protect all-union and interethnic interests, a further system of interregional or federal courts is necessary. They could be trial courts whose judgments and sentences could be sent for appeal to the USSR Supreme Court.

Unfortunately, this idea, which we have often expressed and on whose basis we have submitted corresponding proposals to the USSR Supreme Soviet Soviet of Nationalities, which has been consulting with the republics on the question of the future Union Treaty, has not yet been adopted.

But nevertheless I think that in conditions where the union republics' courts are fully autonomous, it will not be possible to dispense with interregional courts.

[Ovcharenko] Let us return, Yevgeniy Alekseyevich, to our starting point: When will justice have the last word?

[Smolentsev] Your question seems entirely rhetorical to me. I am a realist and I understand: There still remains a lot to be done so that courts, which in the past bore the features of an instrument of repression, become a genuine instrument of justice.

Examining various situations of conflict, the court founds its activities and judgments only in the law. Consequently, the court's judgment can only be just if the the law itself is just. If the law has become out of date, and does not take enough notice of changes in society and its requirements, then the judgment in a case cannot be trustworthy. Consequently, in order for the judicial authorities' activities to be successful, it is important that our legislation is not simply renewed, but in the near future fundamentally reworked and brought into line with the rapidly and radically changing conditions of society. Work is being carried out to this end. Several laws have already been prepared and adopted, and drafts for others have been presented to the USSR Supreme Soviet. And still it is necessary that such an unsightly phenomenon as the "war of laws" is removed from society for ever.

Political Authority Primacy Over Military Argued

PM3101113591 Moscow KOMSOMOLSKAYA PRAVDA in Russian 29 Jan 91 p 3

[Article by Dr. of Economic Sciences A. Karavayev, expert attached to the RSFSR Supreme Soviet Constitutional Commission: "The Sword Follows the Toga. In Democratic States No One Has the Right To Enter Parliament in Uniform"]

[Excerpts] Open pressure on the president of the country on the part of deputies in military uniform at the Fourth Session of the USSR Supreme Soviet and the events of recent days in the Baltic republics have highlighted a legal and political problem that the Constitutional Commissions of the Union and Russian Federation supreme legislative organs can scarcely avoid resolving. It essentially concerns the political and civil rights of the military in a democratic state.

Its laws must necessarily take into account the specific conditions of military service and provide for defense mechanisms against the violation of the civil rights of officers and men. No less important are the guarantees that the army's power to resort to solutions involving the use of force does not pose a threat to the democratic institutions of power. The sword that the military is entrusted with should serve the cause of defense against an external enemy and should never be used as the final argument when discussing and resolving problems of internal policy. [Passage omitted]

But let us turn to current practice and legislative solutions to the given problem in democratic countries. Let us start with the fact that in democratic states no one has the right to enter parliament in military uniform except maybe when they are officially invited (in practice this means ordered) to appear before one of the parliamentary committees. In general, in the overwhelming majority of democratic countries, servicemen on active service, regardless of their rank, do not have the right to be elected, that is, they cannot be nominated as candidates for deputies in parliament or other elective state posts. If they decide to do so, they must resign beforehand. [passage omitted]

If, of course, the process of democratization is not to be ultimately reversed, the questions broached in this article must be resolved here in our country, too. Above all, the civil and other rights of the servicemen themselves need to be protected, as has already been noted. A constitutional solution must be found to the problem of actual inequality in the rights of people's deputies: Some of them should not wield great influence as a result of the fact that they occupy high command posts in the armed forces.

A few weeks ago the whole country observed how deputies in uniform, with the clear support of their colleagues, openly threatened the president—and their supreme commander in chief—in the Supreme Soviet. The president did not react as he should have done, and therefore a dangerous precedent was set whose tragic consequences we are observing today. Leaving threats aside, what would happen if a military chief even criticized the policy of the lawfully elected president or prime minister in the United States or West Europe!

Also, is it permissible for servicemen to vote at elections for their direct chiefs or for other chiefs? Particularly since in the last elections there were instances of soldiers and sergeants being forced to "vote" using previously completed ballot papers under the eye of their commanders. If anyone has any doubts about this let them talk to soldiers who have transferred to the reserve, particularly those who served far away from the major cities.

The more complex of the outlined problems are also undoubtedly subject to a constitutional solution that takes into account our own and world state experience, past and present. The answer to what is maybe the most important of these is to be found in article 5. 10. 3 [as published] of the draft Constitution of the Russian Federation, which says:

"The Armed Forces and the security and police forces cannot be used with the aim of overthrowing the democratic constitutional system and the lawful government, preventing or restricting the activity of parliament and other supreme organs of state power, illegally restricting citizens' constitutional rights and freedoms, or with other aims that contradict the principles of the constitutional system of the Russian Federation. The violation of this provision of the Constitution is a most serious crime against the people."

Proposal to Institute Militia 'Code of Honor'

PM0402145191 Moscow IZVESTIYA in Russian
29 Jan 91 Union Edition p 1

[Sergey Suslikov report under the "Direct Link" rubric: "Officer's Code of Honor"]

[Text] Omsk—A group of scientists of Omsk Higher Militia School have decided to create a militia officer's code of honor.

This initiative is aimed at reviving officers' courts of honor in Russia, operating on the basis of a moral and ethical code. This is an important point, for the courts of honor operating in MVD [Ministry of Internal Affairs] subunits rely, as a rule, on the disciplinary regulations and the Criminal Code and frequently serve as a tool in the struggle against people who are out of favor with the chiefs. However, there are many situations in the militia's life when all is in order as regards discipline and there is no hint of criminal activity, but nonetheless an officer has to be turned out of the militia for cowardice, excessive talkativeness, lying, mental callousness, and elementary dishonorable conduct.

It is proposed that a militia officer's draft code of honor will be forwarded to the republic MVD for examination and, maybe, approval already this year.

Moscow State University Granted Autonomy

91US0269A Moscow IZVESTIYA in Russian
24 Jan 91 Union Edition p 6

[Article by A. Zverev: "Moscow State University Gets Independence"]

[Text] The Moscow State University [MGU] imeni M.V. Lomonosov has been granted status as an autonomous educational institution by decree of the USSR Council of Ministers.

For the first time in our country, an institute of higher education has factually achieved complete independence and obtained rights comparable to those of ministry or branch. However—and particular note must be made of this—the state is still obligated to finance (henceforth on a separate State Planning Committee line) and supply the university with everything it needs. From whom then has it become autonomous?

It is no secret that, for many years, money allocated from the budget for MGU development reached the university first through the Ministry of Higher and Secondary Specialized Education, and later through the USSR State Committee on Public Education, where it was "furnished," as is the custom, with a great mass of instructions. Everything that could be subject to regulation was—the plan for student selection and graduation of specialists, the organizational staff listing (and, alas, not that alone), the student-teacher ratio, even the amounts and types of financial aid.

As stated in the government decree, MGU will henceforth exist under the guidance of its charter alone. Its newly established council of trustees, formed from prominent scholars and public figures, together with the expanded and academic councils, will be able to independently decide the most important issues of the university's vital activity—just as it was beginning in 1755 and prior to the revolution.

"Actually, for the first time after a gap of many years," states Professor V. Sadovnichiy, first prorector of MGU, "we have the opportunity to manage our own assets (property, money, etc.), and thus we now have a real chance of beginning work which will yield a return worthy of the university's extremely mighty potential."

"I believe that in the near future the leadership will sign contracts with young scholars, many of whom are merely subsisting in positions as junior research assistants, which, I hope, will significantly enhance their financial situation and augment their creative capabilities. It has been estimated that the one-thousand- strong administrative body of MGU—alas, mostly incompetent—can almost be halved, and several functions combined as this is done in the West: assistant, expert, translator... I think that if we make these positions competitive and designate an impressive salary for them, we will see qualitative improvements in the work of the apparatus."

The academic council of the university now has the right to confer, in addition to the regular titles we are all familiar with, their own title of "Professor, Moscow State University."

Soviet Peace Movement Holds 12th Conference

Views Internal Strife

PM2801100691 Moscow PRAVDA in Russian 25 Jan 91 Second Edition p 5

[TASS correspondent report: "In Favor of Peace at Home and Throughout the World"]

[Text] The Soviet peace movement, whose efforts were for decades devoted to peace on the planet, has now been forced to take an interest in peace in its own country. The statement of the participants in the 12th All-Union Conference of Peace Champions, finishing its two-day work in Moscow 24 January, was directed to this in particular.

The Soviet peace movement, the document says, is following with great pain and concern the increase in tension in the country and the more frequent instances of the use of force in internal conflicts.

An appeal "Stop the War!" was adopted, calling on the UN secretary general and the members of the Security Council to achieve a cease-fire in the Persian Gulf area.

The conference discussed the work of the Soviet Committee for the Defense of Peace in the period under review. New committee members were elected and a new statute was approved, enshrining from now on a federative principle for the structure of the Soviet Committee for the Defense of Peace. The committee acquires a second name, given in brackets: (Soviet Federation for Peace and Accord). The basic tasks and direction of the movement's work have been defined. The main aim of its program for the nineties is—peace at home and throughout the world.

Peace Conference Concludes

PM2801132791 Moscow IZVESTIYA in Russian 28 Jan 91 Union Edition p 4

[G. Deyev report: "Peace Supporters' Conference"]

[Text] The 12th All-Union Conference of Peace Champions has ended in Moscow. Its numerous participants summed up the results of the Soviet public's peacemaking movement. Henceforth this movement is to be called the Soviet Committee for the Defense of Peace (Soviet Federation of Peace and Concord).

The statutes adopted at the conference record that the committee is an union-wide association of autonomous peace organizations operating within the country for the sake of civil peace and national concord, advocating a just and secure peace throughout the world, economic cooperation, defending the environment, and ensuring human rights.

The conference adopted an appeal entitled "Stop the War!" containing an appeal to the UN secretary general and members of the Security Council.

Genrikh Borovik was once again elected chairman of the Soviet Committee for the Defense of Peace. E.A. Shevardnadze joined the Soviet Committee for the Defense of Peace Bureau, and the Association of Political Studies. He is currently engaged in it setting up and will join the committee as an associate member.

Agrarian Workers Union Plenum Ends 'in Uproar'

PM2301105991 Moscow IZVESTIYA in Russian 15 Jan 91 Union Edition p 3

[M. Petrov report: "No More Peasants in the Russian Agrarian Workers Union Council"]

[Text] A plenum of the Russian Agrarian Workers Union Council ended in uproar 11 January. Fighting his way to the microphone with incredible difficulty, a farmer—the only one in the whole 205-member union council—told the audience: "I have now realized that you are not the peasantry, so you do not have any right to speak on our behalf." The response he received was clearly and distinctly heard: "Windbag." Farmer Kh. Akhmadov walked up to the person who had shouted the insult and said that if he was a man he should step outside. The person responsible for the rejoinder—whose name is unknown—remained seated. So Akhmadov left. He left the auditorium and the Russian Agrarian Workers Union Council.

The incident could be put down to the farmer's being unbalanced. But there are two little "buts."

First, a man who has tilled the land of the Chechen-Ingush for 43 years, brought up a family of 10, and brought prosperity to his home by the sweat of his own brow is hardly going to like being called a windbag by someone incognito. Although the reaction to this unparliamentary turn of phrase certainly does depend on the character of the person insulted.

Second, this is certainly not the first time that the kolkhoz [collective farm] and sovkhoz [state farm] "generals" firmly entrenched in the Russian Agrarian Workers Union and the USSR Peasants Union have prevented peasants no longer under the system's influence from having their say. So this latest alarming example only confirms the worst of our fears: The farmers who now find themselves in the "peasant" unions of Russia and the country (this has happened at the insistence of the Association of Russian Peasant Farms and Agricultural Cooperatives leadership) stand out like a sore thumb and have no wish to listen to other people's arguments.

So, what upset Khizar Akhmadov so much that he could not remain in his seat? According to him, the council session, chaired by the not unknown V. Starodubtsev, resembled a full-scale attack on the laws on peasant holdings and land reform recently adopted by the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet and approved by the RSFSR Congress of People's Deputies. The last straw for him was when the council voted in favor of passing a vote of no confidence in B. Yeltsin and I. Silayev.

"I had thought," Akhmadov said, "that these laws opened the way to freedom, allowed us to take a gulp of fresh air, and offered at least some hope that we would at last be able to feed the country and get away from the obliteration of personal responsibility in peasant work. It seems that we can eat market bread but have no wish to work by market laws. Where is the logic in that? How can one stay in the same union as these people?"

This year, Akhmadov grew so many superior seeds of sorrel, parsley, beet, carrot, and radish on his 250 hectares of land that he alone supplied the whole of the Chechen-Ingush ASSR [Autonomous Soviet Socialist Republic] with seeds and still had 12 tonnes left over to sell outside the republic through the "Sortsemovoshch" Association. If that is idle chatter—what must work be?

Individual farming [fermerstvo] is still in its early stages. It could grow into a giant that will feed the nation. But this pure creation could be stifled. And many hopes will be dashed together with its untimely demise.

With these words, sounding more like a Caucasian toast, Khizar Akhmadov ended his account of his involvement in the work of the Russian Agrarian Workers Union. Then he went home.

... It is now spring and he is at home at 21 Lesnaya Street in the village of Znamenskoye, Nadterechnyy Rayon, Chechen-Ingush ASSR, waiting for like-minded people. They met at the Congress of RSFSR People's Deputies, where they were invited, and agreed to set up their own union of free peasants. So, there are no more peasants in the Russian Agrarian Workers Union.

Anti-Zionist Views Zionist, Jewish Groups

91UN0730A Moscow SOVETSKAYA ROSSIYA in Russian 17 Jan 91 First Edition p 5

[Interview with V.Z. Krivulin, executive secretary of the Anti-Zionist Committee of the Soviet Public, by SOVETSKAYA ROSSIYA correspondent V. Antonov; place and date not given: "Hasty Legalization"]

[Text]*The growth of ethnic self-awareness among the peoples of our country and the renaissance of ethnic cultures is one of the tangible results of perestroyka.*

These process are being registered to the full extent in the Jewish ethnic community as well. Newspapers, radio, and television cover in detail the new phenomena of cultural life, and report new theaters, schools where Yiddish is studied, tours of foreign performers and collectives in our country, and many other things.

However, we cannot but notice that against the background of these undoubtedly favorable phenomena, information has begun to appear with increasing frequency on congresses, conferences, "round-table panels," and other political events, whose organizers openly call themselves Zionists and build objectives far removed from the issues of developing ethnic culture into their programmatic documents.

Our correspondent, V. Antonov, asked V.Z. Krivulin, executive secretary of the Anti-Zionist Committee of the Soviet Public, some questions.

[Antonov] Vladimir Zalmanovich, one gets the impression that an entire network of Zionist organizations has been created in the Soviet Union. Is this so?

[Krivulin] Zionists have been operating in our country for a long time. At present the legalization of their activities, aimed at ensuring the security and welfare of Israel, is on the agenda. The first organizationally established Zionist group, Irgun Tsioni, was set up in August 1989. By now, it has held three congresses. It publishes its own magazine KOL TSIONI (Voice of Zion) and has chapters in more than 50 cities of our country.

At the initiative of Irgun Tsioni, a founding congress was held in Moscow at the end of November and the Zionist Federation of USSR Jews was created. Represented at the congress were 108 Jewish organizations; as the organizers of the congress said, about 20,000 people belong to them.

[Antonov] What objectives and tasks do these 108 organizations have in common, what makes them Zionist?

[Krivulin] As was noted in a document distributed at the congress, representatives of Jewish organizations of the USSR standing on the Zionist platform took part in the work of the congress, i.e., organizations subscribing to the following principles:

unity of the Jewish people and the central place of Israel in Jewish life;

gathering the Jewish people from all countries at their historical motherland in Eretz Israel;
the reinforcement of the State of Israel built on the principles of peace and justice;
preserving the ethnic identity of the Jewish people by means of developing and encouraging Jewish and Hebrew education and Jewish spiritual and cultural values;
protection of Jewish rights everywhere.

[Antonov] Would it be correct to say that interests of the State of Israel are a higher priority for the Zionist organizations operating in the USSR than those of our country, and that they are more concerned with strengthening the Jewish state than strengthening the state in which they live?

[Krivulin] Indeed, it is so. The Zionists do not conceal that for them the interests of Israel are above those of the country in which they live.

[Antonov] What are the objectives of Zionist activities geared to "facilitating in every way the repatriation of USSR Jews to Israel as quickly and completely as possible?"

[Krivulin] A resolution of the Third Congress of Irgun Tsioni testifies to the genuine objectives of "repatriation." In particular, it says: "At present, the State of Israel needs massive alia [Hebrew word meaning immigration into Israel] from the Soviet Union as much as ever. As a result of the alia, the political situation of Israel will be strengthened, and the economy will prosper."

[Antonov] We have been talking about Zionist organizations. What is the place of the "Confederation of Jewish Communities and Organizations of the USSR," the so-called VAAD, in the life of Soviet Jews?

[Krivulin] Having made "the survival of Jews in the USSR as an ethnic, religious, and cultural entity" (VAAD Statute, Point 2.1) its foremost objective, this organization made its presence known as a sort of organ concerned with the rebirth of Jewish life and culture in the USSR. This has made it possible for VAAD leaders to attract to its ranks hundreds of various Jewish organizations, mostly cultural.

However, as they say, culture is merely on the surface—it is a "veil" concealing the true identity of this organization. What is this identity? First of all, there is an attitude toward Zionism. "Zionism is a national Jewish movement its objective is to gather the dispersed Jewish people in their historical motherland... Zionism at present means alia and ensuring the existence of the State of Israel." ("Resolution on Zionism," First Congress of Jewish Organizations and Communities of the USSR, December 1989). Elsewhere: "The congress states its resolute support for the repatriation of Jews who have decided to leave the USSR because only in Israel will Jews acquire a complete guarantee of national safety and be able to make a worthy contribution to the reinforcement and development of their state. (From "Resolution on Repatriation and Emigration" of the same congress).

Compare these statements by VAAD organizers with the excerpts from the Irgun Tsioni documents quoted above. Are the propaganda goals of Zionists not similar? To ultimately dispel doubts about the attachment of the VAAD to Zionism and Israel, we will refer to the Agreement Between "the Zionist Forum of Soviet Jews in Israel" and "the Confederation of USSR Jewish Communities and Organizations" (VAAD) signed in the summer of 1990. It provides for these two organizations to join the World Zionist Organization (WJO) [abbreviation as published] no later than 1992. It is interesting that the agreement was signed on behalf of VAAD by Iosif Zisels—the very Iosif Zisels who was one of the founders of Irgun Tsioni in August of 1989—and on behalf of the Israeli Zionists by Natan Shcharanskiy.

Incidentally, in just a few days, or more precisely, on 21 January of this year, the Second Congress of the "Confederation of USSR Jewish Communities and Organizations" will start in Moscow. It is an event without precedent in our country.

About 1,200 representatives of more than 400 various organizations from dozens of cities in the USSR have applied to participate in the congress. Leaders of the world Zionist movement will attend the congress as guests of honor. As always, USSR people's deputies will be present at the congress.

[Antonov] What questions are going to be discussed at the congress?

[Krivulin] At present, it is premature to discuss the specifics of it. However, it is not ruled out that there will be issues on the agenda of the congress associated with the VAAD joining the World Jewish Congress (WJC) and the creation of a Jewish party in the USSR.

[Antonov] What is the explanation for such haste, an entire series of various Zionist events in recent months? There were three major congresses between October of last year and January of this year.

[Krivulin] The Zionists are in a hurry in order not to let an opportunity to legalize their activities, and register Zionist organizations officially, slip away.

This is what Irgun Tsioni Chairman Lev Gorodetskiy stated in his speech at the Third Congress of Zionists in this reference: "...There ought to be a pursuit of legalization at present, when circumstances favor this. Some parts of Irgun, some branches of Irgun have already been legalized and fully established. However, the absence of the complete legalization of Irgun is an obstacle."

[Antonov] However, how is it possible to even raise the issue of legalization of Zionism in our country given that there is also the signature of a USSR representative under UN resolution No. 3379 dated 10 November 1975 which defines Zionism as a form of racism and racial discrimination? Will this mean that we approve of the genocide and terror of the Zionists against the Palestinian people?

[Krivulin] To my mind, our negative attitude toward the legalization of Zionism in the USSR is beyond any doubt. Unfortunately, this issue is being resolved in high echelons. After all, it is obvious that holding Zionist events of this scale is altogether impossible in our country without the support of highly placed authorities. For example, who will provide hotel rooms in Moscow for the 1,200 delegates to the Second VAAD Congress?

[Antonov] The mass media of a number of Arab countries have reported the existence of a secret agreement between the United States, the USSR, and Israel concerning the emigration of Soviet Jews. Do you know anything about it?

[Krivulin] For now, I may only refer to a document prepared by the International Committee "For Open Borders" regarding the emigration of Soviet Jews. In particular, it reads: "The American Government is a party to a trilateral (secret) agreement signed in 1988 in Geneva and Moscow and confirmed in 1989 on Malta during the Soviet-American summit meeting. Within the framework of this trilateral agreement, the United States, the USSR, and Israel agreed to:

"a) open the borders of the USSR for the emigration of all Jews who wish to leave the country;

"b) allow Israel and the Jewish organizations controlled by it in other countries to work on the issues of this emigration;

"c) reduce considerably the number of Soviet Jews immigrating to the United States and cancel previous existing conditions which facilitated such emigration;

"d) ensure the granting of certain economic and political preferences to the USSR through the efforts of Jewish-American middlemen on the condition that they will facilitate the emigration of Soviet Jews."

[Antonov] I am holding this document in my hands and I am having difficulty believing what is written. Is all of this being actually carried out?

[Krivulin] Everything that was set forth there is being carried out or has already been carried out. I unwillingly recall the words of one of the visitors of our committee: "Our country sells oil, coal, gas, ore, and at present Soviet people as well."

[Antonov] You have communicated interesting facts today about the events held in our country by Zionist organizations. Where are the considerable funds found for this in our difficult times?

[Krivulin] For example, special-purpose programs exist which are generously financed by foreign sponsors. The so-called "Jewish Agency for Israel"—"Sohnut"—operates within the framework of the World Zionist Organization. We are looking at a "plan" of its actions directed at the Soviet Union. This voluminous document is dated February 1990. It includes more than 30 projects aimed at "Jewish educational and cultural activities in the USSR the purpose of which is to encourage and prepare alia."

The program is scheduled for 1991, and its total budget amounts to $8 million.

As they say, comments are unnecessary.

Economic

Reportage on Ekho-UK Firm Currency Deal

Gosbank, Finance Ministry on Deal

91UF0398A Moscow KRASNAYA ZVEZDA in Russian 26 Jan 91 p 3

["Conclusions" of a Panel of Experts of the USSR State Bank and the USSR Ministry of Finance]

[Text] In conjunction with reports in the mass media concerning a major transaction—the sale of 140 billion Soviet rubles [R] for U.S. $7.8 billion at an exchange rate which is 10 times lower than the commercial rate of the USSR State Bank [Gosbank]—an expert review was carried out of a contract signed by the Production and Ecological Company Ekho of the international nongovernmental foundation Eternal Memory to Soldiers (city of Chelyabinsk) and the English company Dove Trading International. Based on the results of this expert review, the USSR Gosbank and the USSR Ministry of Finance communicate the following:

1. Foreign exchange legislation in effect in the USSR, in particular the main act in this area—the USSR Supreme Soviet Presidium Decree dated 30 November 1976 "On Transactions Involving Foreign Exchange Valuables on the Territory of the USSR" (as amended on 25 February 1988), establishes that transactions involving the purchase of foreign exchange from organizations and citizens and the sale of foreign exchange to them are to be carried out solely by the USSR Vneshekonombank [Bank for Foreign Economic Relations].

The latest banking legislation, including that of Russia, expands the circle of participants in such transactions by drawing in other commercial banks which have a right to engage in these operations on the basis of licenses issued by the USSR Gosbank or republic central banks. Legislative acts aimed at creating an all-Union foreign exchange market likewise do not allow transactions involving purchases and sales of foreign exchange for rubles outside the banking system; such transactions may occur on the interbank market, foreign currency exchanges, and at auctions organized by the banks.

Effecting transactions involving sales and purchases of foreign currency for rubles by organizations which are not empowered to engage in such operations is an egregious violation of the requirements of the foreign exchange legislation in effect. General civil legislation of both the Union and Russia considers such transactions void (Article 48 of the RSFSR [Russian Soviet Federated Socialist Republic] Civil Code).

2. Pursuant to the decree of the USSR president dated 26 October 1990, as well as resolution No. 1,101 of the USSR Council of Ministers dated 31 October 1990, the commercial rate of the ruble set by the USSR Gosbank should be used for all settlements entailed by foreign trade operations, foreign capital investment in the territory of the USSR and Soviet investments abroad, as well as for settlements of a noncommercial nature by corporate persons. The contract in question provides for an exchange rate 10 times lower than the commercial rate, which is an egregious violation of the provisions of the decree of the USSR president and the Council of Ministers resolution.

3. The transaction has been concluded in contravention of regulations on the import, export, shipment, and transfer to or from foreign countries of Soviet currency, foreign currency, and other foreign exchange valuables adopted in resolution No 266 of the USSR Council of Ministers dated 31 March 1989, according to which the export of Soviet currency and payment instruments denominated in rubles from the USSR is actually forbidden, and may only be carried out by special permission of foreign exchange control organs. Neither the USSR Gosbank nor the USSR Ministry of Finance have granted such a permit to participants in the transaction.

4. Trade in legal USSR tender does not belong among the tasks of the Production and Ecological Company Ekho by any means, and is nonstatutory as far as the company is concerned. Under Article 50 of the RSFSR Civil Code, a transaction concluded by a corporate person contrary to the goals indicated in its statute is considered void.

5. The very value of the transaction amounting to R140 billion testifies to the fact that neither the seller, the Ekho company, nor the Moscow Interregional Commercial Bank (which continues to use the letterhead and seal with its previous name—the Moscow Oblast Administration of the USSR Promstroybank [Industrial Construction Bank]) is in a position to have this amount because the total sum of spare funds of all USSR enterprises at present does not exceed R130 billion.

Therefore, the Soviet participants in the transaction are deliberately misleading the foreign partner by asserting that the above amount in rubles is available to them in a bank account.

This gives us grounds to suppose that the transaction is being concluded for show only, without intent to entail legal consequences. Article 53 of the RSFSR Civil Code recognizes such transactions to be void.

6. The transaction may also be found void if it was concluded under the influence of a delusion of substantial significance, by a lawsuit brought by the party acting under the influence of the delusion. In this case the Western partner, having determined it impossible to consummate the transaction, could file a lawsuit seeking to void the transaction, arguing that the company Dow Trading was mislead by the Soviet partner into believing that effecting the transaction, i.e. that an astronomical sum of rubles would be delivered, was realistic.

At the same time, as the available materials suggest, the Western partner has deliberately allowed himself to be mislead. Thus, the conditions of the contract require that the Soviet side confirm, first, the availability of the sum agreed upon (R140 billion), and second, that the entire transaction is legal. The availability of the funds should be confirmed by the Gosbank, and the legality of the transaction by the Supreme Soviet (in both cases, it is unclear whether those were to be of the USSR or Russia).

Judging by available copies of documents, a letter of the Moscow Oblast Administration of the USSR Promstroybank (or the Moscow Interregional Commercial Bank) was used as a confirmation of the availability of monetary funds, and a letter by Deputy Chairman of the RSFSR Council of Ministers G.I. Filshin and the signature of N. Tregub on behalf of the RSFSR Supreme Soviet on the English text of the letter of intent dated 19 December 1990 were used to confirm the legality of the transaction. Despite the evident failure of these "confirmations" to comply with the provisions of the contract, the Western partner maintains that all conditions for effecting the transaction have supposedly been adhered to.

7. The transaction of unprecedented scope is being concluded without prior profound economic study by Russian organizations, without discussion in the RSFSR Supreme Soviet, and coordination with other Union republics and the central government. In effect, both sides are entrusting it to small and inexperienced brokerage companies which are unknown to anyone and are poorly prepared professionally. At the same time, the contract gives the foreign partner, the company Dove Trading, the right to purchase consumer goods for all of almost $8 billion. This approach, which ensures superconcentration of the purchasing of consumer goods by the RSFSR in the hands of one company for several years to come, is impermissible in principle in foreign trade practice. In keeping with the latter, goods should be purchased abroad from companies which offer better competitive terms as far as prices, conditions of delivery, and quality of merchandise are concerned.

At the same time, economic consequences which may occur as a result of effecting this transaction affect the interests of not only individual regions of Russia but also of the entire populace of the Soviet Union.

The Soviet participants in the transaction count on generating the rubles necessary for settlements with the foreign partner by selling in the RSFSR consumer goods purchased abroad with foreign currency. Taking into account obligations to the foreign partner and the payment of import tax (about R26 billion), the sales value of these goods should amount to no less than R166 billion.

According to our estimate, the value of these consumer goods in retail prices will amount to merely about R30 billion, based on the indicators of profitability of imports for freely convertible currencies.

Therefore, R136 billion may have to be generated by means of a significant, more than fivefold, increase in prices for imported goods, including foodstuffs, clothing, footwear, and other goods which the population needs badly. Otherwise, allocation of financing from the budget will be required in order to meet the obligations. Given Russia's budget deficit, this will unavoidably entail additional emission of currency and will spur inflation still more. As a result, funds will be deposited in the accounts of foreigners for which no corresponding material resources are available.

8. This substantial amount of ruble-denominated funds amassed by foreign investors gives them a potential opportunity to gain control of a substantial segment of Russian industry.

The estimated cost of the 24,500 facilities whose construction was suspended or conserved amounted to R29.5 billion in 1989. A foreign investor concluding a transaction involving the purchase of rubles at an exchange of rate of 18 rubles to U.S. $1 would need only $1.6 billion in order to buy all of these facilities. The real cost of these facilities in dollars is many times higher; it is at the level of the ruble outlays for their construction. This has been confirmed by numerous contracts envisaging the construction of various facilities in the USSR by foreign companies.

9. In the course of transition to a market economy in the USSR, the accumulation by foreigners of ruble-denominated funds secured as a result of exchanging foreign currency at the contract rate will create considerably better "starting" conditions for them compared not only to Soviet enterprises and organizations but also to joint enterprises, which will have earned rubles as a result of production operations on the territory of the Soviet Union. This will considerably reduce the incentives for organizing the production of goods in the USSR which foreign investors have, because it will be possible to obtain rubles with less risk and effort as a result of brokerage operations.

[Signed] USSR Gosbank
USSR Ministry of Finance

RSFSR Official Discusses Deal

91UF0422A Moscow VECHERNYAYA MOSKVA in Russian 28 Jan 91 p 2

[Interview with RSFSR Deputy Minister of Trade V. Kozlov by VECHERNYAYA MOSKVA correspondent V. Gordin; place and date not given: "Foodstuffs Are Needed Whereas Inventions Are Fed to Us"]

[Text] **On 23 January, "Vremya" and subsequently several newspapers published reports about a subject of Great Britain being apprehended at the Sheremetyevo-2 airport who was in possession of documents regarding a transaction between the British company Dove Trading International and a Soviet party that provided for the sale of 140 billion rubles [R] for $7,756 million. As became known, RSFSR [Russian Soviet Federated Socialist Republic] Deputy Minister of Trade V. Kozlov had participated in negotiations between the parties.**

A VECHERNYAYA MOSKVA correspondent met with V. Kozlov and asked him to discuss details concerning the progress of the negotiations and the forthcoming transaction.

[Gordin] Victor Aleksandrovich, how are these "sensational" articles to be interpreted? Are we having a repetition of the much-talked-of ANT [Automation, Science, and Technology] episode?

[Kozlov] Several months ago, I discussed on the pages of VECHERNYAYA MOSKVA difficulties with the deliveries of consumer goods and the causes of existing shortages. The situation has deteriorated even more in the months since then. The signing of contracts with industry is failing, and the defense complex is being restructured slowly. All of this quite legitimately irritates the people. Apparently, the time has come to seriously consider how what Russia has is to be preserved, and how this is to be used for the benefit of the people. Also, I am convinced that we cannot go on plundering the hard-currency fund and raw-material resources that we sell for hard currency. Russia itself has a significant potential, and is in a position to ensure a better supply of foodstuffs and goods for the populace.

[Gordin] What ways to solve this problem do you see?

[Kozlov] When representatives of the association Rebirth of the Urals Countryside and its affiliate, the foreign-trade company Russian Trading House, came to me and discussed their plans, I got interested in the message. The association Rebirth of the Urals Countryside and the company Dove Trading International (Great Britain) signed a joint agreement on mutual cooperation. A number of enterprises in the Urals Region formed an association (incidentally, they were supported by Chelyabinsk and Kurgan Oblast Executive Committees) and resolved to sign an agreement on the mutual provision of services with the British company with a view towards saturating markets with foodstuffs and products and ensuring equipment and technology for the processing industry. The objective was to enlist private capital in joint efforts to saturate the Russian market with needed goods with the help of the foreign company.

Negotiations were held in the course of which deliveries of considerable amounts of foodstuffs and goods were agreed upon on the basis of extending mutual credit. I stress in particular that in the course of this neither dollars nor rubles will be moved across the borders of our state. This complies with the legislation of the Russian Federation and the USSR. Also, the rubles received by foreign contributors may only be invested in the economy of the RSFSR.

[Gordin] Please tell us in more detail about how this agreement will be executed.

[Kozlov] Loans will be extended by large Western banks; the association will be given the right to use them and purchase needed goods on a quite large scale. At issue are several billion dollars. It is hard for me to be more specific because as of today there have been no transactions. There is only an agreement of the parties in principle. The details of this work will depend on what arrangements the parties will make when the contract is signed. In particular, it is meant that the association Rebirth of the Urals Countryside will assign the exclusive right to order goods to the RSFSR Ministry of Trade.

Perhaps, we must discuss subsequent techniques used in these efforts. We intend to use two large foreign-trade associations, Soyuzprodintorg and Raznoeksport, for preparing and signing contracts. We expected to proceed from the current level of world prices. After the contracts are signed, the delivery of goods to various regions of the Russian Federation will begin, and the goods received will be paid for in rubles from the funds that are now available in the field. After this operation, all funds will be transferred to one account—I will stress that it is a ruble- denominated rather than a hard-currency account—at the Moscow bank; foreign companies will not have the right to withdraw the rubles or move them abroad. There is no currency sale involved in this. This has to do only with extending mutual credit, which is done throughout the world, including the USSR. In short, I would like to say that information broadcast on TV and published in the newspapers, to the effect that it is planned to take abroad billions of rubles, is not true. All the rubles generated will remain here; moreover, they will be put to use again.

What is the objective of this transaction? Goods that will be purchased with hard currency will be paid for in rubles, and they will end up only in the regions in which foreign companies will be given an opportunity to once again put the rubles earned to use.

Taking into account a complicated situation in our country, we should first of all buy foodstuffs: meat, butter, powdered milk, sausage products, poultry, various canned foods—in short, everything that the population needs so much at present. When these goods appear on the shelves of our stores they will be sold at virtually the current retail prices. This is very important for our people who are tired of never-ending shortages. Of course, we will not restrict ourselves to purchasing goods. We intend to purchase technologies and state-of-the-art equipment for processing industries. As is known, we harvested a good crop in 1990. However, it gets spoiled, rots, and fails to reach the shelves of stores. It is time to put an end to this by organizing a powerful processing industry. Imported equipment will help us to turn available raw materials into good foodstuffs.

In short, if we succeed in implementing the program conceived, it will enable us to stabilize the market situation, calm the populace, and finally eliminate panic buying.

I would like to stress that this agreement was approved by the RSFSR Government. The Council of Ministers of the republic promised to assist and support the implementation of the contracts signed.

[Gordin] What volumes of merchandise deliveries are at issue?

[Kozlov] As I have already said, contracts have not been signed yet. However, as I see it, at issue is the volume of goods amounting to approximately one-third of the annual turnover of goods in our republic, that is, it is a very large agreement that may change the situation in the consumer market substantially.

To my mind, the agreement with the company Dove Trading International may serve as a basis for signing similar agreements with other foreign companies. A great number of various proposals from abroad are made to us at present. We analyze them carefully, review them, and select the ones that are the most suitable. We try to work with companies that have a reputation in the world and that have experience working with our country.

[Gordin] Viktor Aleksandrovich, I would like to return to the main question: Does this mean that no shipment of billions of rubles abroad is at issue?

[Kozlov] I repeat, there is no shipment to foreign countries at all, absolutely none. Likewise, the dollars that will be allocated to us for purchasing goods will remain in the country where procurement will take place. The ruble account that will be accumulated at the bank after the goods received are paid for will be spent on various facilities of the national economy of our country. We believe, and the government of Russia supports us on this, that the funds will be invested in agriculture and the agroindustrial complex.

[Gordin] In this case, in whose interest is it to exaggerate absurd rumors about this significant agreement and spread fabrications?

[Kozlov] I have not looked in depth at the history of the origin of this information. However, it appears to be very much in somebody's interest to sow mistrust and undermine the preparation of commercial agreements. I do not know on whose authority and in what manner these reports have appeared in the press and on TV. I also do not know where information has come from to the effect that the rubles will be shipped abroad and changed into dollars. I was absolutely flabbergasted by these absurd TASS reports. Could anybody have thought in earnest that we, the professionals, could approach the government of the republic with this absurd proposal to change rubles into dollars? Only an insane person could have maintained this! Nothing of this kind has occurred or will occur. All agreements have been prepared in compliance with the law. In addition, there is a document of the Union government signed by Deputy Chairman of the Council of Ministers S. Sitaryan to the effect that ruble-dominated trade with foreign partners should be encouraged in every way possible. In short, the interests of the people, the country, and the republic are not being infringed upon in any way in this instance. This is not just a transaction but a document on mutual cooperation on a mutually advantageous basis.

[Gordin] What are your future plans?

[Kozlov] My opinion is as follows: If certain organs, I am not going to say which ones, begin to have doubts about the legality of a transaction, they usually do a very simple thing. The minister and I have phones; they can pick up the phone, call us, invite us to see them, or come to us and ask all the questions they are interested in. However, all of this should be done before unverified materials are given to the press. I would like to repeat: All of this work was done in close contact with banking and foreign-trade organizations, and was completely approved by the government of the republic. I am convinced that there was no violation of law involved; moreover, this promises substantial advantages.

Link Between Soldiers Fund, Ekho Denied

PM3001142791 Moscow IZVESTIYA in Russian 28 Jan 91 Union Edition p 1

[POSTFAKTUM report in the IZVESTIYA, TASS, REUTER, UPI, INTERFAX, and POSTFAKTUM roundup: "International Fund Unconnected with 'Ekho' Case"]

[Text] Anatoliy Bezuglov, president of the nongovernmental International Fund "Soldiers' Eternal Memory," in an interview with the POSTFAKTUM agency, has rejected the KGB Public Relations Center report that the Chelyabinsk firm "Ekho", which took part in the sale of 140 billion rubles [R] for $7.756 billion was created as part of that fund.

Bezuglov stated: "No one asked me whether this is true. I tend not to see an evil intention in the linking of the international fund to this sensational story although I understand that the foundation's main purpose—absolution [proshcheniye] for all soldiers who died on USSR territory—still frightens many in our country whereas some see it as the undermining of great power imperial foundations."

Filshin Interviewed on Role

91UF0400A Moscow TRUD in Russian 29 Jan 91 p 3

[Interview with G. Filshin, deputy chairman of the RSFSR Council of Ministers, by Yu. Ursov under the rubric "Firsthand"; place and date not given: "A Question of 140 Billion: G. Filshin Comments on the "Transaction of the Century"]

[Text]**G. Filshin, deputy chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers, answers questions on foreign economic activity. Over his work desk in his office hang portraits of V.I. Lenin and M.S. Gorbachev. Intercepting my glance, G. Filshin smiles: "What do you think when a 'democrat' so directly ignores the state, its interests, and those of the supreme organs of government? But it is another matter when I am accustomed to evaluating specific economic indicators to see how much a particular action corresponds to the interests of society and the state."**

Such a prologue to our conversation permitted me to move directly to the subject of my interest (and, I am convinced, that of the readers of TRUD).

[Ursov] Gennadiy Innokentyevich, how much does this transaction that you have sanctified correspond to those very interests of society? The sum, equal to practically the country's entire cash supply—140 billion rubles [R]—is being exchanged for $7.756 billion through certain financial operations.

[Filshin] The transaction "that I have sanctified"... Let us examine these concepts from the beginning. "Sanctified" is not an economic or legal term. The letter that I signed for the president of "Dove Trading International," K. Gibbins, says literally the following: "The RSFSR Council of Ministers will render cooperation and support in the execution of the contract..." This formulation is hardly a guarantee that if something miscarries through the fault of a participant on our side, then the administration of Russia and its budget will compensate the losses, taking upon itself the obligations of one of the partners in the transaction—the association "Rebirth of the Urals Countryside."

I stress that I, when I signed the letter, did not know the specific amount of the contract. And this is not a matter for the RSFSR Council of Ministers because the need for such a contract is substantiated by specialists from the RSFSR Ministry of Trade. Now it is possible to make a deeper analysis, which, I am convinced, the experts have carried out with the conclusion of the transaction.

Now this is a fine point—the enormous volumes of goods proposed for purchase abroad, as well as the fact that they will be purchased without middlemen, allow us to count on minimum prices. Here is an example: They propose that we buy a man's suit for $30. In a store in the West it costs $100-120, and the average wholesale price for which it is traditionally purchased is $70-80. Jeans are $8-13. The respective Western retail prices are $25-40 and wholesale, $20- 30. And so on for all the groups of goods. If the contract were to be carried out the traditional way, the hard-currency portion would increase by 2.5 to three times and it would be necessary to talk about not U.S. $7.756 billion but rather, for instance, $18-20 billion. So the real ratio between dollars and rubles in this transaction is not one to 18 but one to seven or eight.

Now, what will the common worker outside the cities receive and where are the goods supposed to be delivered? It means the opportunity to purchase sturdy goods in state stores at prices according to state price lists in exchange for one's rubles.

[Ursov] Nonetheless, the size of the transaction is disturbing. Will not the enormous amount of rubles in the transaction undermine the financial stability of the state?

[Filshin] In the first place, the execution of the contract is not a matter of one year but of at least three to four. Furthermore, according to all the laws of a market economy, which I hope we are building, large-scale transactions should only be welcomed. In Japan no one stops to doubt the advisability of a contract between major companies when, for instance, the Japanese purchase important companies in the United States for $100 billion.

[Ursov] Yes, but in Japan there have been cases of scandals that arose because of bribes to major administrative bureaucrats for orders to those same American corporations...

[Filshin] True, when such orders are financed from the state budget. In our case, one of the commercial banks is presenting the initial ruble capital to the Soviet participant in the form of a loan at a high interest rate. I repeat that the state budget, the administration, and the Central Bank of Russia will not take part in this transaction in any fashion. The RSFSR Ministry of Trade answers in the capacity of a customer for the agreement to deliver goods and for the sale for rubles at list prices.

But something else is more important. In this case the rubles, as well as the dollars, are only accounting units. Nobody is preparing to import dollars to the RSFSR in order to carry out financial operations here. And no one is preparing to export rubles to the West. And it is impossible to do that. They cannot even be put in a suitcase and brought out. According to existing legislation, our rubles cannot be transferred to a Western bank. It would be senseless—to whom would the account be presented later? To that same association "Rebirth of the Urals Countryside?" Let them pay it, the state bears no responsibility for the association's obligations.

From the very beginning the point of it all was quite different. Ruble profits received in the course of the sale of goods, as well as credit assets, are to be invested in the development of production and the creation of new industrial plants that would be of interest to the Western party. In Karelia that would be, for example, workshops to process timber... The British firm will receive the right to a portion of the profits of that production. And then at this next stage the Russian Government will strictly monitor whether such investment trends correspond to the interests of the state, the demands of ecology, etc.

The strategy of such transactions is apparent. We need to structurally rebuild the economy and increase potential for a jump forward. Initial capital is needed for that. Where are we to get it? In his time Stalin carried out industrialization by robbing the peasantry and bringing the country to the point of famine. Should we act that way? Or would it not be better to attempt one-time large purchases of goods in line with the real potential of the national economy, concentrating financial resources?

After all, the goods will be purchased for cash. That to some degree will slow down the pace of inflation and tie down "extra" money far more effectively than any exchange of large bank notes. I will also note that the Union leadership also knew very well that we intend to adhere to such an economic strategy and that there are some specific large contracts. Incidentally, here is the latest report from Geneva. Within the framework of this contract, V. Kozlov, RSFSR deputy minister of trade, is there and has come to preliminary agreement on deliveries of goods worth $800 million.

[Ursov] It seems that everything is quite logical. But I personally am troubled by the active participation of the RSFSR Ministry of Trade in this transaction. In the words of A. Yanov, the American political analyst, in order to "feed the people and provide goods, the entire trade network has to be shut down." There is "no possibility of setting it right. Those people are corrupt"... Will it not happen that import goods in short supply, ending up in the trade network, will become a source of profit for "shady operators" as happens today? Goods tend to go not to the worker in the Urals but to some shifty con man from another region...

[Filshin] I do not rule out such a possibility. But what should we do then—nothing? Or distribute everything from a KGB or military convoy, where there are also plenty of people who are hard up? In the Russian program for a transition to a market a whole chapter is devoted to the fight against the "shadow economy." On the long-term level it is carried out using economic methods, including the creation of trade channels controlled by the RSFSR Council of Ministers. On the immediate level—using forces of the law enforcement organs...

[Ursov] I still do not understand why Western corporations want our rubles—and I am asking with regard to more than just this transaction.

[Filshin] What do we know about the world market? It is no secret that currently there are signs of a recession in some developed countries. Trade competition has heated up. Western firms, on one hand, are seeking new markets, and on the other, they are trying to invest capital in sound enterprises that guarantee a stable profit.

Many Western firms have longstanding ties with our country. I suppose that they feel comfortable relying on prolonged and, perhaps, informal ties with our foreign trade organizations. Well-known instances of corruption in the Ministry of Foreign Trade system testify to that.

And now these "friends of the Ministry of Foreign Trade" have new competitors who are proposing lower prices for the same goods and obligating themselves to get involved in philanthropy and investment of ruble profits in the economy of the republic. So I do not rule out the thought that the noise around this transaction is a reflection of trade competition and the desire to undercut a more successful competitor. After all, even the classics teach that we should draw profit from imperialistic contradictions...

FROM THE ECONOMICS DEPARTMENT. Thus, the circumstances of a transaction that has given rise to significant social outcry begins to be revealed. Experts of the USSR Ministry of Finances and the USSR State Bank on the one hand, and of one of the leaders of the RSFSR Council of Ministers on the other have expressed their opinions. However, we still do not know the conclusions of the special commission formed by the RSFSR Supreme Soviet. TRUD will inform its readers of them.

Paper Raises Questions on Deal

91UF0399A Moscow SOVETSKAYA ROSSIYA in Russian 29 Jan 91 First Edition p 2

[Article by Yu. Nikolayev: "Under the Influence of Delusion? Necessary Additions to Parliamentary Debates on the 140 Billion Rubles Sold to a Foreign Firm"]

[Text] There is obviously no need here to go into details about the debate that developed at the session of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet concerning the contract that was concluded for the sale of 140 billion rubles [R] to a foreign firm for $7 billion. We have all had the opportunity to see it on television. The dictaphone transcript of the parliamentary debates was also reproduced in yesterday's issue of SOVETSKAYA ROSSIYA. But still it is necessary to return to one of the episodes.

Recall that immediately after the "explanations" from G.I. Filshin, deputy chairman of the RSFSR Council of Ministers, B.N. Yeltsin asked:

"Well, shall we dismiss it?"

And then something generally unimaginable occurred. A recent political observer from Central Television, journalist Aleksandr Tikhomirov, essentially suggested "hushing up" the blue screen "for yesterday's report on the program Vremya," accompanying his conjectures with harsh words. We will not worry about this abusive language; what surprises us is this: Even if the flowery explanations of G.I. Filshin were convenient for the impatient "economic experts" from KOMSOMOLSKAYA PRAVDA and the journalists of ROSSIYSKAYA GAZETA, and perhaps some others, can it really be true that he, Boris Nikolayevich Yeltsin, chairman of the Supreme Soviet, was satisfied by this nonsense that was uttered by the deputy chairman of the Council of Ministers?

To hear G.I. Filshin tell it, he approved a contract about which there were no doubts at all for 140 billion of our national rubles, and signed something like...a birthday card, and that good-for-nothing television, you see, had the audacity to cover it. And for some reason the real issue went unnoticed, indeed "camouflaged": How could it happen that the Russian government was drawn into a clearly speculative operation, an unworthy game played by the rules of the "black market."

Trying to pass himself off as some kind of champion of his people, Gennadiy Innokentyevich earnestly brandished before the parliament some mythical list with hundreds of thousands of tons of meat and oil. Why mythical? I shall explain. It just so happened that at that very hour when Filshin was shaking his file of papers to convince you, I was speaking with the representative from the other side, the president, as he was called, of the firm Dove Trading International, Mr. Colin Gibbins. He stated simply:

"We have not yet talked about any specific commodities or products for that entire sum, although our firm has expressed a readiness to deliver them..."

I asked if the president of Dove Trading International himself had any idea of how much R140 billion is? In what magnitudes this is expressed?

"Oh, it is a lot!"—he wrung his hands.

"Well, and still?"

"To be honest, it is hard to imagine..."

One of the financial specialists explained to me how to get a sense of the magnitude of these ill-fated billions. It was calculated in terms of weight and volume and it turned out that if you used R100 notes, it would take...three railroad cars. For other denominations, of course, it would take a little more. I told Mr. Gibbins about this.

"Oh-h-h!"—he could not conceal his rapture and said: "There was a case in which a baggage car came into Frankfurt from Moscow crammed full of R100 notes..." True, he immediately added that he was joking... But, seriously, the main merit of our contract was that neither rubles nor dollars would cross the border. The dollars would remain in Switzerland, and the rubles in Russia. A credit transfer! Everything is great!

Incidentally, this was used as the main argument in favor of the transaction by the Soviet participants as well.

What would be wrong with having rubles purchased by a foreign firm circulating in Russia? But then how is one to understand G.I. Filshin's announcement in the press to the effect that the transaction was organized because "as of today Russia has practically no foreign currency." But are we really going to receive any as a result of this transaction?

Somewhat later we tried to figure this out as well while at the same time continuing our discussion about the weight of those same billions. In order for the reader to have a clearer and more distinct picture of the scale of the contract, I shall give here the figures obtained from the USSR Ministry of Finance and the USSR Gosbank [State Bank]. The sum of R140 billion is equal to the amount of cash (in any case, up until the present reform) in the pockets and in the "stockings" of all Soviet people. There is much less free money in the accounts of all enterprises in the Soviet Union—somewhere around R113 billion... Finally, R140 billion is equal to the country's military budget for two years!...

But these immense figures do not give Gennadiy Innokentyevich cause for reflection at all. "You will agree," he asserts, "that the deputy chairman of the RSFSR Council of Ministers is not obligated to go into all the details of such contracts." And, it turns out, he was "not aware" of the concrete figures. But still, with this kind of logic we must agree that it would be possible to throw away all of Russia for peanuts.

In essence he showed no interest in his partner's proposals. "The list and the quality of the goods were to be determined by the Ministry of Trade and it was also to handle selling them." "I repeat once again," he said, "it is not my job to discuss the details of contracts. Let the parties to the agreement handle that." Even if all the national property of the Russian Federation were placed on the line, you see, he is not one for details... In his explanations at the session of the RSFSR Supreme Soviet and the announcements in the press one is surprised by his unconcealed desire to place the blame for what happened on anyone at all as long as it was not himself. Even on the Ministry of Trade, although, as he asserts, this is where one finds the excellent specialists whom he trusts. On the "contracting parties." On the loss of such an "I spy" game as the one played with "petrodollars" or any other product which could serve for obtaining hard currency.

The contract was concluded by the production-ecological firm Ekho affiliated with the international nongovernmental fund "To the Eternal Memory of the Soldiers," and the firm Dove Trading International. It was signed by the general director of the firm Ekho, the president of the association Revival of the Ural Countryside, A.A. Svirdov, and "Colin Gibbins" (President) (that is the way it appeared in the text), Dove Trading International. I asked him if he really thought that this unknown Chelyabinsk "production-ecological firm" was able to raise such a mass of money.

"I received sufficient guarantees of the solvency of the partners," said Mr. Gibbins. "Here they are."

From the sheaf of papers spread out before him, the first he picked up was a xerox copy of the document signed by G.I. Filshin, and then next to it he placed the note from RSFSR Minister of Trade A.F. Khlystov, and he showed me the signature of N. Tregub, "for the RSFSR Supreme Soviet." After just a moment's thought, he took from the pile of documents the letter of guarantee from the chairman of the Moscow Interregional Commercial Bank, "Albert N. Shalashov" and read the text, which I shall give verbatim in Russian translation: "Dear Mr. Colin K. Gibbins. A running account of the firm Revival of the Ural Region, No. 713713, was opened in the Moscow Interregional Commercial Bank, which was created on the basis of the Moscow regional branch of the USSR Promstroybank [Industrial Construction Bank]. The bank is prepared to conduct operations with your firm by mail in keeping with the law and confidentiality. Sincerely yours, Chairman of the Moscow Interregional Commercial Bank, Albert N. Shalashov."

And in vain I tried to assure Mr. Gibbins that I had not yet managed to locate either the Chelyabinsk branch of the mythical firm Ekho or the association Revival of the Ural Region ("countryside" may have been what they had in mind). Again and again he confidently tapped his fingers on the aforementioned documents, convinced that the guarantees contained in them were quite enough for him. But try to prove to him that not one of the leaders named was in a position to fulfill the financial commitments if they were made illegally, and that all these people were quite capable of deceiving him about their capabilities.

But perhaps even more striking is the fact that our "deputy chairman" still did not want to meet with his foreign partner or to consult with the direct Russian participants in the transaction, if only to think about where, from what sources, it would be possible to look for such an impressive sum. Could they turn the pockets of their compatriots inside out? And not just the Russians?...

The more you think about it, the more seditious the idea seems. What automatically comes to mind is the recent "war of the budgets." Russian leaders, as I recall, traded down to their last ruble in order to keep as much money as they could in the Russian Federation and to "delegate" as little as possible for Union needs. In this persistence they earned a good deal of authority for themselves—they were showing concern for Russia. And here Mr. Gibbins appeared with his appetites... One would never want to think that the documents discovered by the customs officials are justification, alas, for such assumptions.

Not a single one of the specialists with whom I consulted about this "operation of the century" could give any serious justifications for such a contract. In the USSR Ministry of Finance, the Gosbank, and the USSR Bank for Foreign Economic Relations all they could do was name about a dozen articles from Russian and Union legislative acts that were violated or skillfully evaded by the participants in such a large-scale transaction which was exceptionally ruinous to the country.

Existing legislation assigns the conclusion of such transactions for purchases from organizations and citizens and sale of foreign currency to them exclusively to the Bank for Foreign Economic Relations. The latest banking legislation, including Russian, expands the range of participants in these transactions by bringing other commercial banks into them which have the right to complete similar operations only on the basis of special licenses. But again they are not allowed to conduct transactions for purchase and sale of foreign currency for rubles outside the banking system. If you want to sell or acquire foreign currency—go to the interbank markets or the currency exchanges or auctions. The road is not closed off!

It might be accidental, but at the time these lines were being written, I had a TASS information bulletin on my desk. I will quote it in its entirety.

"The exchange rate of the British pound sterling by the closing of the London currency exchange.

"LONDON, 24. (TASS)—The exchange rates between the British pound sterling and the leading currencies of other countries by the time of the closing of the London currency exchange today were:

For 1 pound sterling: 1.9595 U.S. dollars; 2.9059 FRG marks; 258.45 Japanese yen; 2.4504 Swiss francs; and 9.8661 French francs.

I hope it is clear even to the uninitiated that this is how one trades in currency. Calculating down to the one-ten thousandth of the monetary unit! But our upstart businessmen, not bothered by anything, "put out" 18 rubles for each dollar. That is 10 times more than the commercial rate, not to mention the official rate...

But perhaps there was at least some justification for this transaction? Some advantage? Especially under conditions when there are shortages of everything. But no matter how hard you look, you will find no convincing arguments in favor of this. Qualified experts give these figures: If goods were acquired for the dollars we purchased, we could sell them in our country for an amount not exceeding R30 billion. And so did they intend to give them R110 billion or something?

Or let us look at it from the other side. If we sell our own rubles at 18 to one, naturally, the things or items we acquire would have to be that much more expensive. We must also include here the import tax (R26 billion in this case) so the prices are even more than 18 times higher. Including consumer goods, which increase in cost five to sixfold. Which of us Soviet people can afford this? And to whose advantage is it anyway? Mr. Gibbins assures us that it is to the advantage of both sides. He was obediently seconded by "Mr." Filshin. But is this true? Let us take a look at what the buyer of the rubles will get.

Even according to the first, purely preliminary conclusion of the experts, "140 billion is an astronomical sum which is unacceptable for this kind of operation because it could play a tragic role in the socioeconomic development of Russia." Allowing a foreign investor to put such an immense amount of money into circulation will have an especially fatal effect on the privatization of the economy. Actually he will have an unlimited opportunity to buy land, plants, factories, and other real estate and actually establish his dictatorship not only over a significant share of the economy but also over the political system. What kind of sovereignty is that?!

Completely unjustified privileges for one investor would deal a painful blow to others and would place existing joint enterprises that do not have these privileges in an extremely difficult position.

A typical detail. During the course of our impassioned conversation Mr. Gibbins stipulated that he would not take the rubles abroad because they are not convertible. And here he asked me to turn off the dictaphone... Now let us imagine, readers, what the possible consequences could be if our money were convertible... Rather terrible, are they not?

I will share a few more of my reflections concerning this strange contract. Although Mr. Gibbins tries to persuade us that on the whole he will create equal opportunities for the parties, I am afraid that this is far from the case. Actually he, Gibbins, and the person behind him would almost completely control both accounts: dollars and rubles. Especially if there were no system for monitoring foreign investments or a developed mechanism for taxation, administrative, and other measures that guarantee an economic effect from large-scale cooperation of this kind.

Finally, one is put on the alert by the aura of secrecy around the contract. Obviously, even G.I. Filshin is hardly sufficiently informed about the nature and real capabilities of the firm Dove Trading International.

It is simpler with Mr. Gibbins. He willingly tells us that as early as June of last year he received an assignment to buy up a large quantity of Soviet money. As I understand it, first he went around to the Union organs, but he found no suckers there. Then during the "parade of sovereignties" he got a "brilliant idea" to find direct approaches to the Russian government. Here, as we see, he found plenty of them among the officials...

There are still many unanswered questions in this whole story. As it turns out, such a large-scale transaction was concluded behind the back of the RSFSR Supreme Soviet. But did its presidium know at least, was it informed? Boris Nikolayevich Yeltsin himself? Or was the chairman of the Council of Ministers free to unilaterally shake unlimited amounts of money out of the purses of his compatriots? But what kind of democratization of our life is this when there is a persistent recoil to the notorious "command administrative system" if not to a direct dictatorship of an individual and a tight-filled corrupt purse?

But what was the purpose of this "camouflaged" transaction anyway? Why was it necessary, in the words of one of the experts, "to turn artificial fanning of inflation into the state economic policy." Interesting conclusions were drawn by another expert who did not conceal his great personal sympathy for the energetic Russian leadership. He suggested "declaring the transaction invalid since it was concluded under a delusion." Could it be that the Christmas season had clouded their thinking or had some other kind of derangement occurred.

And when they referred to a certain vagueness of the formula he proposed, he exclaimed:

"Well, call it all economic sabotage, but under the influence of delusion! We must figure all this out again."

What must be, must be. And one must begin by figuring out whether Gennadiy Innokentyevich deceived all of us deliberately or whether he is an extreme intellectual lightweight. Such questions can arise regarding other participants in the contract as well.

And one must finally establish what this Ekho is, which cannot be heard, even with the international nongovernmental, apparently philanthropical "To the Eternal Memory of the Soldiers." To be sure, the president of the fund himself, A.F. Bezgulov, (another president?) categorically denies any participation by his organization in the transaction, even though the contract was concluded on this organization's behalf.

"No, we do not have a branch of any Ekho in Chelyabinsk," Anatoliy Filippovich declares. "And there is nothing that would cast a shadow on our holy work and our fund!"

So who was it that concluded this transaction? On whose behalf? Who was it who had such clever concern for Russia? Which of its self-proclaimed saviors? Here I completely join in on the appeals of our parliamentarians not to allow unconstitutional formations to be supported. Especially if the pretenders to the leadership themselves have entered on the slippery path of violation of our Russian laws. And no protests for glasnost can be accepted here...

Paper Comments on Deal Reporting

91UF0412A Moscow SOVETSKAYA ROSSIYA in Russian 30 Jan 91 First Edition p 2

[Article by Yu. Nikolayev under the rubric "Following the Situation:" "In Search of Billions"]

[Text] **Tell us about the move to halt the export of 140 billion rubles [R] reported by the USSR KGB.**

[Signed] **A. Sharov, Moscow**

ARGUMENTY I FAKTY, No 4, 1991

...Negotiations conducted between Soviet and foreign parties with the participation of V. Kozlov, RSFSR [Russian Soviet Federated Socialist Republic] deputy minister of trade, resulted in agreement on deliveries of a substantial volume of food and industrial goods and technology on the basis of the establishment of mutual lines of credit (private or state), as a result of which neither dollars nor rubles will cross the borders of the Soviet state, which is in accordance with the legislation of the Russian Federation and the USSR. Rubles received by the foreign investors can only be invested in the economy of the RSFSR.

In the opinion of the administration, these measures to attract Western investors will introduce stability and are possible with our support and encouragement. The obligatory conditions of such transactions will be reinvestment of Soviet rubles in Russian agriculture.

We believe that the information of the Center for Public Communication of the USSR KGB concerning the stipulated sale of R140 billion abroad published in Moscow SOVETSKAYA ROSSIYA in Russian (No. 17, 24 January 1991) is speculative, testifies to the incompetence of the people who prepared the article for the press, and misinforms the population of the country. The goal of such an action is to discredit the leadership of Russia and to undermine the faith of foreign firms in cooperation with the administration of Russia.

If the contact does not take place, the loss of goods will amount to R140 billion.

For half of the hard currency received as a result of the agreement—about $4 billion—during 1991 the Russian Federation should be getting consumer goods and food—in all, 64 categories.

Among them are:

Frozen meat	700,000 tons
Butter	300,000 tons
Poultry	600,000 tons
Canned meat	200 million cans
Sausage	150,000 tons
Tobacco products	6 billion items
Confectionery products (including candies for diabetics)	700,000 tons
Men's suits	2 million items
Men's and women's shoes	20 million pairs
Children's jackets	10 million items
Socks	10 million pairs

"Freedom" Radio Station

25 January 1991. "Radio Freedom," the show "In the Country and the World." At the microphone is Savik Shuster:

[Shuster] Now about the same subject, but from the British side of the transaction. Frank Williams, our British colleague, has conducted his own journalistic investigation.

[Williams] Who is Paul Pearson [name as transliterated]? What is Dove Trading International? It turns out that it was hard to find a precise answer to these questions. My first telephone call was to a British-Soviet chamber of commerce in London. Could they give me the telephone number and address of Dove Trading International? No, because that organization, which actively helps British firms do business in the Soviet Union, has never heard of Dove Trading International. And Paul Pearson? The British Foreign Office handles questions of that sort, they told me.

Fine. I called Moscow, the British Embassy. There an employee in the information department told me that the diplomats are also seeking information about Mr. Pearson. The British Embassy knew only that Pearson had already left the USSR. He never had gotten in contact with the embassy and never asked for help—neither after he was arrested nor before. Nor does the company know about the firm. They went on to say that the embassy had also learned of Mr. Pearson via the show "Vremya" and that it had immediately requested information from the Soviet MFA [Ministry of Foreign Affairs].

To continue, what is Dove Trading International? Such a company does not exist on the official register of business companies, in which, according to British law, every company should be listed. Although there is a "Dove Group" in the suburb of the British industrial city of Derby. The listing, however, did not include a telephone number. I telephoned the local chamber of commerce. That company was not on their lists. And the address where it was registered was a common residential area. It is difficult to imagine a trade company on that street, the representative of the chamber of commerce of Derby explained to me.

And a last stroke. In Moscow, Gennadiy Filshin showed Andrey Babitskiy, our Moscow correspondent, an official document addressed to Mr. Colin Gibbins [as transliterated], president of "Dove Trading International." In the telephone book of the city of Derby there is one Mr. Gibbins—I.E. Gibbins. I telephoned him. His wife answered. I explained the subject of the call. "No," she answered with a laugh, "that is hardly my husband. He works as an environmental expert on the local regional council."

Our Commentary

The serious reader, I suppose, will himself notice a very substantial difference in the approaches of journalist Frank Williams and his Soviet colleagues from the newspaper ARGUMENTY I FAKTY in this case of a multibillion-ruble transaction between the firms Dove Trading International (Great Britain) and Ekho (USSR). Mr. Williams, naturally, is first and foremost interested in what kind of firm Dove Trading International is and whether it is able, without blinking an eye, to buy neither more nor less than 140 billion of your and my heard-earned rubles. And who is this multibillionaire Colin Gibbins who has so handily swindled the Russians and purchased practically for a song such an astronomical sum?

As we see, the intrigues of the mythical Croesus led to nothing. They were bound to disappoint Mr. Williams: He will hardly find out anything more, even in the future, than he has already learned. In London, they say, there was a company with a similar name, but it was liquidated back in September of last year. And there is no use looking for Mr. Gibbins at the listed address in the British capital, inasmuch as he is staying at one of the Moscow hotels.

It seems that the journalists of our Soviet publication, unfortunately, were not interested in either the facts or the arguments underlying them. In general, they were not very curious and, in essence, did not show the slightest attention to either the purchasers or the sellers. However that did not keep them from very vocally, without bothering about proof, declaring that the information of the KGB and SOVETSKAYA ROSSIYA (for some reason our newspaper was singled out, even though the information made the rounds of many daily publications and was broadcast over television and radio) "is speculative, testifies to incompetence...and misinforms the population."

Further, please notice, quite imposing figures are cited. One may believe that even if the authors themselves did not view this entire quantity of more than 1.5 million tons of "frozen meat, butter, and poultry" in addition to millions of pairs and items of clothing and footwear, then at least those who had given them the information had certainly touched this boundless wealth with their own hands. And now, they say, the intrigues of the Chekists threaten to ruin such a profitable transaction and cause "the loss of goods" worth 140 billion.

Having read this astounding information, I immediately picked up the telephone to ask V. Kozlov, the RSFSR deputy minister of trade who is taking part in negotiations on the contract, who would be delivering Russia 64 categories of goods and products, as well as various equipment worth such a sum of money. But the deputy minister was not in: The ministry told me that he had left for Switzerland on Sunday.

It was no accident that I wanted to ask the deputy minister this question. The problem was that back in the course of my conversation with Mr. Gibbins (the newspaper reported it in detail), I repeatedly asked him about his partners who would be ensuring delivery to the RSFSR of the aforementioned goods. Mr. Gibbins said more than once that for the time being there are no specific companies or firms that are prepared to undertake such an enormous order. True, in the process he assured me that the goods and products will be sent "directly from the factories and farms, and of excellent quality." Apparently he himself does not have any idea of what kind of factories and farms are involved. One asks how he may then so unpardonably dangle this carrot in front of us and in general use such impressive figures when he does not have any grounds for them or any addresses of partners?

But perhaps one is most distressed by the fact that to this day neither the authors of articles such as the one that was run by the newspaper ARGUMENTY I FAKTY nor the public officials from the apparat of the RSFSR Council of Ministers, first and foremost G.I. Filshin, its deputy chairman, are at all interested in the true resources of the purchasers and sellers. Even though it would be very simple to find that out. Instead it is necessary to rush off to Switzerland. It is only a fifteen minute walk from the office of G.I. Filshin to Sadovskiye Lane and the office of the representation of the Barclays group of banks, which supposedly was providing financing for the multibillion-ruble transaction. They have, of course, a telephone and a fax machine. Mr. Anthony I. Stark [as transliterated], leader of the representation, unambiguously asserts:

"No, I am not familiar with Mr. Gibbons and have not had any dealings with him..."

After he attentively examined the pages of the contract concerning his bank, Mr. Stark broke into a smile:

"I can state with satisfaction that these documents are the work of a dilettante, an amateur, and a 'freshman' in the realm of business, and they could not fool a single banker."

I wondered whether he was out of touch and if a Zurich branch of the bank, referred to in the contract, might nonetheless have some relation to it.

"This is so slipshod, unprofessional, and incompetent that I am convinced no bank employee in the world would sign these pages."

Denying any involvement in the transaction whatsoever by the group of banks he represents, he asserted that the partners in the transaction were not even able to give the correct name of the Swiss department (branch). And in general, he asserted that all the banks in the world could not buy up such a gigantic sum of rubles. Bankers are business people, and they prefer to see "money work" and not lie around as dead capital.

Mr. Stark shrugged his shoulders.

"I can only express my own guess. This may be fraud. You know, there are such hucksters who conclude this type of completely unrealistic transaction so that both parties will receive substantial commissions. Sometimes it succeeds..."

Next I talked with V.F. Leshchinskiy, head of the department of foreign contacts of the USSR State Bank, about the possibility of the practical execution of the multibillion-ruble transaction. He said:

"Our view of the contract is well-known as a result of an official statement by the USSR Ministry of Finances and State Bank published in the press. But even after that I asked experts from foreign banks to give their evaluation of the 'project.' They found more than 40 'errors,' to put it mildly, in the text that obstruct its execution."

Vladislav Fedorovich also mentioned a quite convincing reason:

"Foreign banks would not permit any single bank to concentrate such an enormous sum of money in its hands in order to keep it from becoming a monopoly."

That makes sense. After all, only in our country do they chatter on about breaking up monopolistic practices and then immediately try to impose a monopoly by hook or by crook.

I am reminded of the final portion of my conversation with the British financier. He said that no serious bank will enter into a contract with an unfamiliar person or an unfamiliar organization or firm in order to keep from sustaining material and moral damage. I had the impression that Mr. Stark was very concerned about the reputation of his firm. The same, unfortunately, cannot be said about "Mr." V.A. Starkov, who signed the article with its totally unfounded crude attacks and worthless information. And not only because he circulated unsubstantiated data. Doubt in his sincerity arises even as a result of several details, even though they are small and insignificant to a layman. Such as the following...

The KGB information was published on 24 January, that is, the same day that the weekly ARGUMENTY I FAKTY went to print. And what a coincidence: It turns out that a certain A. Sharov wrote a letter to ARGUMENTY I FAKTY that very same day. But something else is amazing: That letter was delivered instantaneously to ARGUMENTY I FAKTY. Please forgive me!.. I am willing to admit anything, but I will not believe that the mail works so efficiently and with lightening speed in Moscow...

Paper Raises More Questions

91UF0413A Moscow IZVESTIYA in Russian 30 Jan 91 Union Edition p 2

[Article by I. Zhagel: "Eight Billion for Flat No 2; We Continue To Sort Out a Contract Between London and Chelyabinsk"]

[Text] **Reports continue to trouble the public concerning the apprehension of a subject of Great Britain at Sheremetyevo-2 airport on whom documents were found on a transaction concluded between the Chelyabinsk branch of the Ekho company and the British company Dove Trading International, which provided for the sale of 140 billion rubles [R] for US $7.765 billion.**

In issues 21 and 22 of IZVESTIYA, we gave an opportunity to make statements on this topic to Chief of the USSR State Bank Foreign Exchange Administration O. Mozhayskov and Deputy Chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers G. Filshin.

We will recall that the former called this transaction a shady economic enterprise primarily because of the magnitude of the ruble sum sold, which is comparable to the volume of the republic budget. O. Mozhayskov was also astounded by the exchange rate of the sale—R18 to $1—which allows the foreign partner to amass tremendous amounts of our currency at minimal outlays and purchase considerable amounts of real estate in the Soviet Union. The following statistic was given as an example: The estimated cost of 24,500 unfinished industrial facilities amounted to R29.5 billion in 1989.

For his part, G. Filshin viewed the fuss around the transaction as a political provocation (there is a letter signed by him among the documents confiscated at Sheremetyevo-2 that says that the government of Russia will facilitate the contract). It was stated in subsequent articles in other newspapers and in a speech by G. Filshin at a meeting of the RSFSR Supreme Soviet that no ruble sales were envisaged.

In his words, "a credit transfer" with the subsequent "reinvestment" of Soviet rubles obtained by foreign companies in various sectors of the national economy was the essence of the contract. If we translate this into the language of laymen and leave out the details, it will turn out that goods for an agreed-upon amount of dollars were to be delivered to us for which a certain sum in rubles should be paid by us.

In all honesty, this "transfer" is not particularly sophisticated. After all, by simply selling rubles you may also buy consumer goods and equipment with the dollars generated. The rate of exchange, i.e., how many dollars or how much merchandise the rubles fetch, is the only issue.

As far as "reinvestment" (incidentally, why not just investment?) is concerned, some Western companies are attempting to obtain enormous amounts of rubles in order to invest them in business concerns when the process of privatization unfolds in our country rather than to wallpaper their offices with them. At present, it is no longer the issue whether plants, factories, and farms should be sold to them. Of course, they should be sold! However, they should be sold wisely, without giving anybody unjustified advantages, without, so to speak, acting as simpletons.

Therefore, let us turn to the documents, in particular, to a copy of the much-talked-about contract, and see who acted as a participant in the transaction on the Soviet side. In an interview by IZVESTIYA, G. Filshin stated that the association Rebirth of the Urals Countryside did. The last issue of the weekly KOMMERSANT said the same, adding that Ekho is a past name of the association. Supposedly, those who use it show their poor knowledge of the subject.

However, here we are looking at the contract signed on 13 January. In the contract, just the Ekho company is referred to. What prompted it to change its shop sign so quickly? Why did such haste in the course of a multibillion deal fail to put anyone on guard?..

Now about what this transactions essentially meant—"a transfer," a sale of rubles, or something else. In the contract itself, exchange is mentioned after specific amounts are indicated. However, it is specified further on in the text that all annexes to the contract are considered to be integral parts of it. An annex signed as recently as 15 January says absolutely clearly that the word **"exchange"** may be amended to **"sale"** of rubles. The rate was also clearly specified: 1:18.

The amounts deserve to be discussed separately. For example, it is maintained that R140 billion were mentioned as a general plank, and, in addition, it was to be attained in three years; therefore, not too much was attributable to individual years.

However, R140 billion and $7.756 billion are referred to in the contract quite precisely. A general agreement that is the foundation for the contract says clearly that the period for purchasing and selling amounts to one month from the date the contract is signed.

How can such quotas in rubles be amassed in our country within this short period of time?! Nonetheless, Chairman of the Moscow Interregional Commercial Bank A. Shalashov stated in the press that he is up to this task (this is the bank that participates in the transaction on our side).

It is very strange to a hear a professional say this.

What Western banks were prepared to participate in the transaction? The contract indicates the Zurich office of Barclay's International Bank. This immediately brings to mind something supposedly reliable and solid.

However, when employees of the USSR State Bank sent a telex to Zurich, the response was that there is no Barclays International Bank there, but there is Barclays Bank that everyone knows.

They communicated last Saturday from Barclays Bank proper that they do not know anything about the transaction. With regard to the text of the contract made available to them, they said: "We have not seen all the documents, but what has been shown suffices for us to be satisfied at not being involved in this operation. Even two or three mistakes or inaccuracies in these documents would have made the bank view the transaction with suspicion. Meanwhile, we have counted more than 40 mistakes on the three sheets made available to us."

However, in keeping with arrangements for the entire transaction the bank was supposed to merely accumulate the money. Who intended to provide the immense quota of $7,756 million?

It was mentioned in the press that guarantees were sort of given by the American Express Company. However, for the sake of accuracy, there is a reference in the document to the company Eurofin Limited Switzerland that it says is associated with American Express. However, the word "associated" may mean anything. This does not at all suggest that American Express is involved in the transaction.

In general, there are more than enough surprising facts in this contract. We cannot fail to mention two more facts.

The exchange of dollars into rubles was merely the first part of the transaction. Subsequent purchases of consumer goods were envisaged, and the exclusive right to administer the sum of $8 billion was given under the contract to the company Dove Trading International. What kind of company has been given these unlimited opportunities on our behalf? Who is aware of it in the world market? At the very least where is its office? Apartment ("flat" in English) No 2 in one of the innumerable residential buildings of London is indicated in the contract (Point 8)... as the legal address of the company. How was such a company trusted with billions?..

We could cite here other documents pertaining to the transaction as well, but in this case we would have to discuss certain individuals and their responsibility for this matter. It appears that it would be better to wait for the decisions of the RSFSR Supreme Soviet Commission and investigative organs.

Naturally, we will inform readers about all the details of this case in the future.

Financial Aspects Considered

91UF0414A Moscow RABOCHAYA TRIBUNA in Russian 1 Feb 91 p 1

[Article by Candidate of Economic Sciences V. Zanin, general director of the Signal Association: "The Case of 140 Billion. Where Is It—In the Mattress? Some Questions for the Authors of the 'Transaction of the Century'"]

[Text] *So, a certain British merchant was detained at a customs checkpoint with a sheet of paper, certified with a seal, indicating the purchase of 140 billion rubles [R]—not in Kerenskiy's bills or Petlyura's karbovantsy [Ukrainian notes issued in 1918-19], but real rubles which we receive at the window of the cashier's office of our plant. I will admit that I have not heard from my Western colleagues (there are prominent tycoons among them) about anybody buying an astronomical amount of foreign currency. Is this a fraud? Some newspaper commentators are falling over themselves to assure us that it is not, that we should not worry—this is as common a deal as they come and on top of it is advantageous for us Russians.*

A commentary by the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers on the KGB action which put an end to the transaction involving the sale of R140 billion for $7 billion insists that "competent" organs interpreted the event incompetently. However, even this commentary left me, a businessman, asking more questions than it answered.

The main premise, the numbers R140 billion and $7 billion, were confirmed. A foreign company was supposed to receive this bundle of our rubles. To be sure, it was explained that it was supposed to supply 64 kinds of goods and equipment rather than dollars. At this point, questions began to arise one after another.

If we look at the list of promised goods their cost comes to about R10 billion. However, let the reader of this article calculate it himself rather than take my word for it. The author made calculations in state retail prices, and it came to approximately 10 billion. As the RSFSR Council of Ministers stated, the cost of equipment for the food and processing industries will come to another R10 billion. Therefore, under the terms of the transaction, goods worth a total of R20 billion in state prices will be delivered. It cannot be otherwise, because if foreign companies or their local partners are allowed to sell at market prices "the McDonald's scenario" is unavoidable. McDonald's sells sandwiches at the prices of, say, the Khitrov Market, but it obtains meat from refrigerated Moscow storage facilities at R2 per kilogram instead of importing it from Canada. It has an official permit to do this.

The first question: For what was the British company supposed to receive the R140 billion?

The second question: Who was supposed to split the difference, amounting to tens of billions—which is what the profit on this transaction is estimated to be—and how?

The third and perhaps main group of issues is no less puzzling.

What foreign companies have been granted licenses to export raw materials and other products paid for with their proceeds from the USSR, including the RSFSR?

Which of these licenses have been issued with the cooperation of Comrade Filshin?

What has this mysterious Englishman communicated to any of the officials who facilitated "the transaction of the century?" What does he plan to spend the R140 billion on? After all, such astronomical amounts are not spent without extra-thorough planning. Really, he is not going to keep them in the mattress, is he?

Finally, some of my suppositions.

I count on the common sense and acumen of the readers even if they are not well versed in foreign trade. For example, how much pine timber needs to be sold to England to generate $7 billion? My answer—12 million cubic meters. What will be the answer of Comrade Filshin, deputy chairman of the RSFSR Council of Ministers, and Comrade Kozlov, RSFSR deputy minister of trade, who according to data in ARGUMENTY I FAKTY "were in charge" of the transaction with the British company?

Just how much timber of this kind can be bought from our timber industry enterprises for the R140 billion, which offset $7 billion on our side? My answer is approximately 3 billion cubic meters. What will Comrades Filshin and Kozlov say? After all, they could sell these 3 billion cubic meters in England for $1.5 trillion (!), that is, for every dollar invested, $200 may now be generated. Even if taxes and freight charges devour half of it, a 10,000-percent profit margin is nothing to sneeze at.

Who will respond to these questions without high-sounding words about their heartfelt concern for the Russian consumer, restricting themselves to the bland language of statistics and calculations? Of course, it is impossible to buy 3 billion cubic meters of timber in the USSR; this amount is simply not available. However, certain things can be had if you pay extra to the timber industry enterprises, or through neo-Komsomol [All-Union Leninist Communist Youth League] companies.

Windfalls going into the billions may be used to buy some copper, scrap metal, crushed glasses, old cathode ray tubes, and so on. If secondary raw materials are not enough it would be good to develop a taste for other valuable resources. All the coal mined in the country cost only between R15 and R20 billion until recent price increases. The miners of our entire country could work for as long as seven years in order for the Englishman to be able to buy goods with his R140 billion. Finally, if he is not willing to wait seven years, he may buy up at a halfway point all the meat and shoes which are en route as aid to the Russian consumer, in keeping with the list in question, and, having deposited the money in a bank (out of his R140 billion) for these products, as allegedly having been sold, with the help of individual merchants who are less-than-totally- honest, he can altogether fail to ship them to our country. This is not an entirely hypothetical conclusion.

My impartial conclusion is that maintaining the lowest prices for raw materials in the world in our internal market (for example, our grain costs R100 per ton, whereas we purchase it abroad at $350 to $400 per ton) affords unlimited opportunities for the most unbridled speculation while blocking the normal participation of our country in the world division of labor.

What are we to do? Are we to suspect everyone indiscriminately, refrain from engaging in foreign trade, and ban barter? We should not get hysterical, but something still needs to be done, namely—given our monstrous price distortions, trade cannot proceed without public control. This means extra-public control, for example, mandatory publication of all transactions over $10,000, rather than official control with its bureaucratic secrets which are deceptively palmed off as commercial secrets. We need to bring our system of prices to world levels and ratios as soon as possible, or at least reduce price differentials to a minimum which does not create the temptation to engage in primitive speculation.

Filshin 'Obfuscates' Remarks

91UF0421A Moscow SOVETSKAYA ROSSIYA in Russian 2 Feb 91 First Edition p 3

[Article by Yu. Nikolayev under the rubric "In Search of 140 Billion": "'The Formula of the Transaction': Several Questions for G.I. Filshin, Deputy Chairman of the RSFSR Council of Ministers"]

[Text] Perhaps one is most struck by the obstinacy with which G.I. Filshin, deputy chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers, continues to assert that he had no idea of the true scale of the scandalous transaction. The calculations showed him something quite different, you see, so that now he says he can only guess where he got this or that figure. But after all, it is like they say: Sooner or later all secrets become public. The curtain of secrecy over this shameful story is beginning to rise as well.

A certain D.N. Davidovich, director of the bureau for devising systems and methods of the interbranch association Rebirth of the Urals Countryside, has shown a far greater knowledge of information than the deputy chairman of the Council of Ministers. In his interview with the newspaper CHELYABINSKIY RABOCHIY (29 January 1991) he declares:

"The Russian administration intended to put this mechanism into practice in some region of the RSFSR even without us..."

The stubborn assertions of ignorance of the "details" and "scale" of the conflict (that, incidentally, by itself only testifies to the absence of an elementary sense of responsibility on the part of so high an official) put in an awkward position all those who dealt with Gennadiy Innokentyevich himself. That is to say all those associates of the apparat of the Council of Ministers as well as officials of the appropriate ministries and departments of the RSFSR whom he specifically—and no one else—charged with "finding out what it will cost." And this was not at all after the questionable contract received wide publicity in the last two weeks of January, but rather in December 1990.

And in his letter to the Russian administration Mr. Colin Gibbins, who referred to himself as the "president of two companies," did not hide or in any way veil his true intentions of purchasing "for a single client from Europe" 140 billion rubles [R] for dollars.

True, it seems that Mr. Gibbins was only troubled by the fact that "it is rather difficult to guarantee the transferal of such a large volume of cash." This must be why he then showed preference for another version whereby the money itself could remain in a Russian bank and be used by the client ("from Europe"—Editor) "for reinvestment in the Soviet economy at his wish."

Undoubtedly it is not easy to analyze all the stratagems of as cunning a partner as Mr. Gibbins. All the more now that he has argued them in the name of the most vital interests of Russia and his wish to "help the ruble become convertible and sufficiently strong... and significantly earlier than is currently being predicted." Here too we really need serious, comprehensive analysis. Thus the instructions of G.I. Filshin seem fully reasonable. Only one thing remains to be cleared up: What did he do, give those instructions with closed eyes, without glancing at the sums proposed for the transaction?

We will agree that this is unlikely. Especially when you take into consideration the fact that the same figure of R140 billion began to be heard in the corridors of the RSFSR Council of Ministers, the USSR Industrial Construction Bank, and several brand new concern-associations back in 1990. Then, according to the proposed conditions of the contract, these billions were supposed to be delivered to Zurich "on a day that is acceptable to both parties but not later than 21 December 1990." "Transferal of R5 billion per day beginning the moment delivery is completed" is also mentioned. Only later did the version appear which stated that "rubles and dollars will not cross borders."

One might suppose that Gennadiy Innokentyevich did not directly know some of the details of all this, all the more because the impudent "purchasers" of the Russian billions and their well-wisher assistants from among our own home-grown "businessmen" forced their way through other doors beside his. But he cannot present himself as completely ignorant.

It is quite necessary to debunk another myth suggested by G.I. Filshin to the deputies of the RSFSR Supreme Soviet and the readers of many publications. Its essence is expressed well in the title of an interview in ROSSIYSKAYA GAZETA: "They Wish To Intimidate Us." In it Gennadiy Innokentyevich tries to pass an astounding contract, speculative in its essence, off as some kind of innovation, as an initiative of the republic and "original thinking." The further you read the angry rebuke of the deputy chairman of the RSFSR Council of Ministers to the effect that, in his opinion, he is being "intimidated" and "hindered" from thinking and acting "originally," the more bewildered you become. What is this special contribution of Gennadiy Innokentyevich to the sphere of trade and monetary circulation?

"For nearly 30 years I have been working in the system of the Bank for Foreign Economic Relations, and I do not remember a year when someone from abroad did not wish to buy up nickels for mere pennies," said T.I. Alibegov, first deputy chairman of the board of the USSR Bank for Foreign Economic Relations. "And remember, even SOVETSKAYA ROSSIYA wrote about the famous affair of the firm 'Afro-Arib.'"

Please tell me what is so unusual in the fact that some foreign firm wishes to profit from our difficulties or the complete incompetence of its partners on the Soviet side?

To a lesser degree another assertion of G.I. Filshin in that same ROSSISKAYA GAZETA looks strange as well.

"I can declare perfectly firmly that the formula of the transaction has nothing in common with trade in currency."

Well, permit me, Gennadiy Innokentyevich, not to believe you this time either, despite all your firmness. I can, of course, suppose that the initial variant of the contract, stipulating the form of the delivery of the Soviet notes to the Zurich bank ("cash, wrapped up in packets of money") and the volumes of their transferal to Switzerland ("5 billion per day") did not reach your hands. But after all even the "formula of the transaction" could only fool readers inexperienced in international financial operations.

"It is perfectly clear that the concluded agreement does not deal with any loan inasmuch as the subject of retiring a loan is not even examined," unanimously declare specialists of that same Bank for Foreign Economic Relations. "Something else is perfectly clear: The content of the contract involves the contract sale of one currency for another. Why confuse the issue?"

Someone wants very much to camouflage the transaction, hide its true essence, and lend it a respectable appearance. Its "unique" formula in the contract was called a "credit transfer" [kreditnyy transfer] (in some instances it is written as a credit transfer [kreditnyy transfert]). I also tried to find out just what this is in the course of my conversations with the Mr. Anthony Stark, the Moscow representative of the "Barclays" group of banks.

"Oh-h!" exclaimed the English banker, and with the delicacy characteristic of him, he explained, "It seems to me that the Soviet party is importing an unnecessarily broad meaning to the English word 'transfer.' It is a postal money order, and nothing more..."

Our own less-delicate Soviet financial specialists are more categorical.

"The notion of a 'credit transfer' that appears in the contract is an invention of those participating in it, and the notion is not used in banking practice. This ungrammatical, from a banking point of view, formulation designates, judging by the content of the contract, a remittance of funds to be credited to an account opened for each participant in the transaction."

As we see, in essence the opinions of the "English" and "Soviet" sides do not diverge.

In our conversation I cannot help but mention the issues which Gennadiy Innokentyevich Filshin carefully avoids or obfuscates in his numerous statements. It is a question of the scale of the transaction and the exorbitant rate of exchange of the sale of rubles for dollars (R18 for $1). True, by way of supposition he says that the Western firm took into account the difference in data on the existing shortage of goods in the republic and "carefully figured" an average quantity of R140 billion. Well, who cares what the firm "carefully figured." We are more interested in something else: How and why did our Russian administration decide on the sale of an astronomical sum equal to almost half the national income of the republic?

I doubt that anyone could be content with the currency exchange rate computed in one of Gennadiy Innokentyevich's articles in accordance with oversimplified "seat-of-his-pants" rules. And however much he adds up and divides "parasols" and "chicken feet" it will not make things clearer, especially after he himself acknowledges that in the transaction which he himself encouraged, "The coefficient of foreign-currency efficiency is determined according to a completely different formula."

I believe it is appropriate here to mention that this is a question of yours and my hard-earned rubles. And no wordy explanations will hide one obvious fact: That the ruble is being deliberately depreciated. In fact, R18 is the daily wage of a skilled worker in our country. And what is a dollar? It is an amount that is not even sufficient for a ride on a New York subway. Even the most unskilled labor is not paid a daily wage of such a miserly amount in any country in the world. Then why put Russia in the position of a colony of some Western investors?

Another reason not to play such a trick is that with such a contract of sale the Russian economy may well be auctioned off to foreign capital, and again—dirt cheap! To explain this thought, I will offer a specific example. In terms of its basic funds the automobile factory imeni the Leninist Komsomol is worth about a billion rubles. It is not difficult to calculate how much cheaper it may be bought by a firm offering us dollars at the rate of exchange of the Riga market.

Of course the inexperienced reader may somehow be affected by that enormous figure consisting of 64 types of goods and products that ARGUMENTY I FAKTY published. Look, he says, at the huge quantity of food and clothing Russia will not receive if the "transaction of the century" is prevented. And it really does make an impression when all these hundreds of thousands of tons of food, millions of suits, pairs of socks, and billions of cigarettes are gathered together into one table—it looks impressive. But V. Skurikhiya, a meticulous reader from Moscow, was not satisfied by this and he sat down and divided the data by the number of residents of the RSFSR: That is, he tried to provide each of us with the goods from those same R140 billion. And the astronomical figures immediately faded away. Per person, for the price of two military budgets for the country, we will be purchasing a mere 6.5 kilograms of beef and poultry, 1 can of canned goods, 0.01 suits, 0.1 pairs of men's and women's shoes, 0.05 pairs of socks, and 30 cigarettes. Not much, as we see. For R140 billion!

In all this story there is an aspect that is moral and, simultaneously, political. Readers are stubbornly asking whether such a large-scale action has been coordinated with the Supreme Soviet and the administrations of the other Union republics. Whether you like it or not, for the time being our monetary unit—the ruble—is the same for the entire Soviet Union. I am sure that, having permitted a monopolistic owner of R140 billion into Russia, we will hardly be able to keep him within its borders. What if he wishes to buy up some sort of output or stock in neighboring Kazakhstan or the Ukraine? Who will be able to stop him? And will that be in the interests of the peoples of the aforementioned or other republics?

Well, okay, if the leaders of the Council of Ministers have sanctioned the conclusion of such a large-scale transaction behind the back of the RSFSR Supreme Soviet, that is, as they say, the business of the Supreme Soviet. But why put our neighbors in an awkward position as well? Or are the leaders of the RSFSR only prepared to pay lip service to the "sovereign" rights of other republics?

Finally, I would like to say the following. Of course, each republic in the Soviet Union has the right to concern itself with the replenishment of its resources, including hard currency resources. Today no one denies the opportunity to pay for hard currency with some portion of its property. The country is up to its ears in debt, and we cannot borrow and reborrow convertible currency "without limit" and pay out large sums of money as payment of "interest on interest" on loans.

But it would probably be very incautious to thoughtlessly make those same payments using property and possessions.

It is self-evident that all this should be done responsibly by competent specialists having not only the desire but also the experience in the execution of this type of contract. We must not trust in intermediaries from very questionable firms on their side or ours, or simply in people who tend toward adventurism.

Commission Head on Inquiry

91UF0447A Moscow SOVETSKAYA ROSSIYA in Russian 6 Feb 91 First Edition p 1

[Interview with Aleksandr Petrovich Pochinok, leader of a deputies commission of the RSFSR Supreme Soviet, by Yu. Nikolayev; place and date not given; published under the rubric "In Search of 140 Billion": "It Is Possible To Sell Off Russia and Not Notice It"]

[Text] Aleksandr Petrovich immediately declared:

[Pochinok] I do not like SOVETSKAYA ROSSIYA. I am more sympathetic to our own democratic press. But in this instance it seems to me that our own press is taking a one-sided approach to the transaction, and its clumsy attempts to justify the contract, which apparently are taking place as a result of a lack of understanding of its essence, only harm the cause.

I must recognize that your paper is taking the more analytical stand, and I have to take that into account...

[Nikolayev] Aleksandr Petrovich! The readers of Moscow SOVETSKAYA ROSSIYA in Russian are very interested in the work of the deputies commission which you head and all the circumstances of the unprecedented sale of 140 billion rubles [R] for a ridiculous sum of $7 billion dollars.

[Pochinok] Unfortunately I will hardly be able to satisfy the natural interest of the readers. The commission is still working, and it is too early to judge the final results. I can only assert that the case really is very complex and very tangled. There are a great many participants, and a great amount of material must be analyzed.

In all likelihood, our commission will only present very preliminary conclusions. In any case, we need to await the results of the investigation that was begun by the USSR Procuracy.

[Nikolayev] Nonetheless, we would like to know what concerns you most of all right now.

[Pochinok] It is, perhaps, possible to pick out three basic directions we are working in. The first of them is the legality and the consequences of the letter itself that was signed by Gennadiy Innokentyevich Filshin, deputy chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers. It turns out that he is the one at the center of public attention, and there is no avoiding the questions that have been raised. We must find out and understand what the results will be of the fact that he signed this letter. As has already been reported, there is the conclusion of the RSFSR Ministry of Justice on this point. However we will not base ourselves exclusively on that but also on commission hearings with those who participated in the transaction, and we will take into account the considerations of economists, banking officials, and specialists on financial operations with foreign partners.

The second direction: An analysis of the contract documentation that we have. As you see, there are mountains of documentation and they are growing. The huge quantity of information has spilled out onto the pages of the newspapers. In some ways this makes our work easier, and in some ways it complicates it. Especially distortion of facts or explanations of information that are incompetent or too hasty.

I made a request to Zurich and received a reply. Then I was incautious enough to confidentially acquaint a correspondent of KOMMERSANT with it, simply for his information. Naturally I did not give my permission for publication. I believe that KOMMERSANT acted incorrectly by quoting the information contained in the correspondence and not concerning itself with the accuracy and reliability of the information. They also rushed to name the bank that was supposed to purchase the rubles, which the participants in the transaction had hidden...

[Nikolayev] You mentioned three directions in your work...

[Pochinok] The third and, we will agree, the most important, is to offer, even if only on the general level, some initial recommendations to ensure that nothing similar occurs in the future. The deeper we penetrate into what has taken place, the more questions arise and the greater our fears are. It seems that even with the best possible intentions it is quite possible to sell off Russia and not notice it.

[Nikolayev] Aleksandr Petrovich, could you be more specific about the concerns that have arisen? And what circumstances have given rise to them?

[Pochinok] Of course! I can begin with the fact that we are surprised to observe what an enormous collection of unknown firms, associations, companies, and other organizations have appeared recently in Russia. Abroad, understandably, there are even more of them. Of course even I myself was in favor of the presence of the various new formations, but this is the first time I have seem them in such volume and so vividly, and I have begun to recognize what our lack of information about the developing processes may lead to.

Just imagine: A person is in the apparat of the Council of Ministers, and a whole crowd of representatives of our own and foreign firms begins stopping by his office. In a chorus they propose the implementation of a splendid operation that is supposedly profitable in every way for the Russian Federation. They propose the conclusion of a large-scale transaction that would allow him to better and more completely satisfy the demands of Russians for food and industrial goods. What is left for him to do? Where does he turn in order to verify, for instance, the sincerity of the intentions of his partners and their solvency? What in general are the rules for concluding contracts? Who has the right to sign them and what are the upper limits on amounts of money? Does a company, a firm, or an association with quite limited financial resources have the right to undertake such a large-scale transaction? You see how many gaping holes there are in our legislation and in the work of the executive organs. And where are the guarantees that our national wealth will not flow out and away through all these gaps in legislation and existing practice? What can be said about all this when we, and I have in mind both the Supreme

Soviet and Council of Ministers, do not even have a list of existing Russian associations, companies, and firms, never mind foreign ones...

[Nikolayev] It is a depressing picture of chaos. What kind of a solution do you see to the existing situation?

[Pochinok] Practically the most important result of the work of the deputies commission consists of the fact that we have seen with our own eyes what kind of complicated, varied phenomena we are dealing with and which issues demand the most immediate answers. Before beginning treatment, a doctor reaches a diagnosis... We should suppose that the Supreme Soviet will also evaluate the awakening entrepreneurial activity with all responsibility and find a real opportunity to stimulate in it that which deserves undoubted support and limit the excess. After all, it is very important not to cross a certain border dividing efficiency and petty greed or that between praiseworthy initiative and a camouflaged desire to get hold of the biggest piece of the public pie.

I wish especially to emphasize: One must not assume that, because of this sensational transaction, we have clipped the wings of the leaders of our ministries, enterprises, and entrepreneurs and deprived them of their independence in the search for a solution to the crisis in which Russia finds itself. On the other hand, we should and must work out a mechanism guaranteeing our economic security in the development of foreign economic ties, whoever may carry that out.

[Nikolayev] Incidentally, now that the trail of the mysterious "English" company Dove Trading International has finally been tracked to South Africa, I would like to clarify something [illegible] must admit that I was quite surprised that the [illegible]en administration selected some firm in that infa[illegible] corner of the world for such a serious operation. What kind of information about Dove Trading International does your commission have at its disposal?

[Pochinok] Where am I going to get information about this firm? Only from the data which it communicates about itself. Judging by what we know, it is a small firm. Most likely it was acting as a broker or a middleman. We still have to find out and ascertain who was standing behind it and what goals it was pursuing. If serious people with serious intentions came to us and were using the little-known broker only as a cover, that is one approach. It is quite something else if Dove Trading International was itself setting up contacts and later hunting down those who would purchase billions of Soviet rubles.

[Nikolayev] Okay. But Aleksandr Petrovich, you personally must be much better informed about the Soviet partners. And about the association Rebirth of the Urals Countryside and its "president" A.A. Sviridov. Have you met with him repeatedly in Chelyabinsk?

[Pochinok] Yes, we were meeting... For the time being I do not wish to express any opinions about Sviridov and his actions. We still need to understand and double-check what is illegal and what is legal in the transaction concluded by him.

[Nikolayev] But after all, we have the official conclusions of experts of the Ministry of Finance and the State Bank of the USSR.

[Pochinok] In addition, we sent materials from the transaction for examination at our Central Russian Bank as well. The specialists conducted the examination, and there are very interesting thoughts in the materials we received.

[Nikolayev] Then put it in the most general terms: Are there differences in the examinations of the Union and republic financial organs?

[Pochinok] I can only say that both of them observed numerous flaws and nonsense in the contract documentation, of which we will speak at a session of the Supreme Soviet. The commission is convinced only that both examinations were carried out by qualified specialists of approximately the same high professional skills.

[Nikolayev] Aleksandr Petrovich! I have had the opportunity to hear from many deputies of some sittings of the Presidiums of the Supreme Soviet and Council of Ministers of the RSFSR at which the situation was supposedly viewed. Does the deputies commission have access to the materials of these discussions?

[Pochinok] There are no problems there. In regard to any internal information in our House of the Soviets, we can always obtain it.

[Nikolayev] As you probably know, SOVETSKAYA ROSSIYA is again being criticized from all sides. This time it is specifically for the series of articles on the contract between Dove Trading International and the firm Ekho and the association Rebirth of the Urals Countryside. Do you have any reservations about it?

[Pochinok] I have always had reservations about your newspaper, but in this instance I do not have any. I believe that everything is going normally when different views are being expressed, especially if they are substantiated. Your article "Formula of the Transaction" is in front of me right now; everything that you attempt to demonstrate is presented in a well-reasoned fashion. What kind of reservations can I have! It is another issue that we may have different points of view concerning individual aspects. After all, that is a matter of position.

I like a direct and honest conversation. And here I cannot help but note that in this case SOVETSKAYA ROSSIYA has not caused anyone any harm. And the most important thing—and I must especially stress this: I very much hope that the transaction we have been talking about has not led to any losses for Russia.

IZVESTIYA Publishes More Details

91UF0454A Moscow IZVESTIYA in Russian 8 Feb 91 Union Edition p 3

[Interview with an anonymous participant in the Ekho transaction by I. Zhagel; place and date not given: "'Our Man' From South Africa?: New Details on the Sensational Financial Transaction"]

[Text] **The history of the "contract of the century" concerns an exchange of 140 billion rubles [R] for $7.756 billion that was concluded between the British firm Dove Trading International and the Soviet firm Ekho, which belongs to the association Rebirth of the Urals Countryside (see IZVESTIYA No 21, 22, 25, and 26). The story has received an unexpected continuation. A man who is involved with this transaction at first telephoned and, after some hesitation, came to the editorial office once we had promised not to mention his real name. We decided to publish our conversation with him, in part because it touches upon a wide circle of very important problems today. If necessary, we can present a tape recording of our conversation with this man which we are holding at the editorial office as well as a copy of the agreement between his firm and the association "Rebirth of the Urals Countryside." Thus...**

[Zhagel] In general, why have you decided to come to us?

[Interviewee] Before my transfer to a commercial firm, I worked for a long time in the system of foreign trade, and I occupied fairly important posts. I consider myself a professional, and I am not indifferent to what kinds of processes take place here. Particularly now that militant dilettantism is taking the place of administrative processes in foreign economic activity.

All this bears on the fantastic R140 billion transaction, which some people are currently trying to present as an attempt to benefit Russia.

[Zhagel] But did you not participate in it yourself? Or were you preparing to participate?

[Interviewee] The problem is that I only found out about the scale of the transaction after the report of the KGB, whose associates confiscated pertinent documents at the airport. Leaders of the association Rebirth of the Urals Countryside had contacted the firm Dove Trading International and its president Colin Gibbins.

But the association hardly has more than a few million. Therefore, to collect billions it needed to act as an intermediary for dozens, perhaps even hundreds of organizations and combine their capital. Our firm was one of those organizations.

However, I doubt that it is possible to assemble R140 billion in our country today in general. If I had known how large a sum the association was contemplating, I would have been careful about participating in that transaction.

I need to say one more thing right at the start. The participation of such a large quantity of ill-matched organizations would almost totally have deprived our poor Urals countryside of consumer goods. After all, if I pay the money, then I order the goods myself. I would hardly order children's food or minitractors.

In the West, that same minitractor costs a minimum of $2,000. And in accordance with the contract concluded with the association, I am buying each dollar for more than R20. This means that to get back my money I must sell the tractor for no less than R40,000. Taking into account all the general overhead and the need to make a profit, its price would have been about R50,000. Who would buy it from me? No, our firm, as well as the others would have again counted on computers and video recorders.

[Zhagel] You mentioned an exchange ratio of 20. But the contract with Dove Trading International mentioned that each dollar would be purchased for R18.

[Interviewee] The association would buy at that price. But it would sell to us at an exchange ratio of 20—here is the contract. This means that we would have established prices that are far higher than those named in the press.

[Zhagel] Judging by everything, you are very familiar with such financial and trade operations. After all, the entire transaction has been presented practically as an innovation.

[Interviewee] There is nothing new here. These days many people carry out such operations, but in smaller volumes. In our language this is called carrying out conversion of the ruble. Here is one of the variants. Suppose that some foreign firm needs rubles. It searches for a Soviet organization that, in the first place, has free funds at its disposal or can receive credit at a bank and, secondly, has a right to export and import operations. Having agreed on an exchange rate for the purchase of the needed rubles, the firm opens an account in some foreign bank, into which in transfers the appropriate sum in dollars or some other currency. Now the Soviet organization taking part in the transaction can purchase goods for import, which are paid for with the money maintained in that account.

Afterwards everything is simple: The goods are imported into the Union, they are sold, and as a result the Soviet party retires his loan from the Soviet bank and receives a good profit for its labors. Naturally, even earlier, at the same time that the foreign-currency account is opened abroad, an agreed-upon sum in rubles is transferred to an account of the foreign firm that has been opened in a Soviet bank.

[Zhagel] But foreign firms are prohibited from opening ruble accounts.

[Interviewee] That prohibition is easily circumvented. For example, a firm was able to organize a joint enterprise, and the money went to its account. There are also numerous other versions. And recently the RSFSR Ministry of Finances has quite officially started giving permission to foreign firms to open ruble accounts. For example, several such accounts exist in the Moscow Youth Bank—I have had occasion to transfer money to them.

However, I would like to emphasize once more that in comparatively small volumes operations to convert the ruble are not dangerous. In the final analysis there are many people in this country today earning far more than the average. And goods need to be bought for them, even in the event that one must use the exorbitant exchange rates of the black foreign-currency market. Otherwise roundabout ways will be found, and the income of the state will decrease as a result and the number of crimes will increase.

True, there is another problem here—the ruble accounts of the foreign firms are growing unjustifiably quickly. But for the time being this process has not taken on threatening dimensions, which might yet happen in the event that the transaction between Urals Countryside and Dove Trading is carried out...

[Zhagel] Threatening? Do you mean that, having received R140 billion, Western firms could buy up our enterprises? To some people such an assertion would seem laughable. They say that in general the fuss around the currency transaction compares to the fuss around ANT [Automation, Science, and Technology], and that a good business deal is being obstructed.

[Interviewee] In order to get to the bottom of this, I will cite one example. Recently your newspaper published a report that the concern Volkswagen had purchased the Czech automotive firm Skoda for 9.5 billion Deutsche marks—about $7 billion. Our Volga automotive factory [VAZ] is far larger than Skoda, and those $7.756 billion would hardly be enough to buy it.

However, exchanging that sum at a rate of 1 to 18 and receiving R140 billion, a foreign firm or a group of firms could purchase four to five factories like VAZ in our country. Or practically the entire automotive industry. So, while the ANT contract really could have been of enormous profit to our country, this present transaction is nothing but adventurism.

There is also another danger here. Having received a gigantic sum in rubles, foreign firms would immediately destabilize, that is to say raise prices on raw materials, construction materials, and equipment. Hardly anyone could compete with them. And this is easy to prove using one more example that touches all residents of Moscow.

Everyone in the capital knows the Central Market and its exorbitant prices. Nor is it a secret that this is where foreigners living in our country shop. Exchanging their dollars at the exchange rate of the black market—approximately 1 to 30—they then literally squander the rubles. The merchants are beginning to orient themselves toward the foreigners, naturally, raising prices and making the market inaccessible to common residents of Moscow. The same thing will happen throughout the country if foreign firms receive preferential conditions for accumulating rubles.

For all practical purposes the transaction with Dove Trading International would devaluate the ruble. And can one republic really do that without the agreement of the others? It is absurd. It is no accident that not one of the major foreign banks, fearing for their reputation, has acknowledged participation in this transaction.

[Zhagel] How does the currency market work in our country today? How does a major purchaser of rubles find people willing to buy import goods and vice versa?

[Interviewee] A couple dozen firms already exist here today that are involved with so-called marketing services. And there are also simple, so to say, free intermediaries. These are the same old brokers, but in the absence of a foreign currency exchange they have to run about Moscow.

Sometimes it is necessary to go through two or three intermediaries in order to finally reach the person who has the goods.

[Zhagel] Did you also seek out Urals Countryside in this fashion?

[Interviewee] Approximately. One intermediary familiar to me led me to the association, having set the conditions in advance. It was almost a detective story: The marketing agreement was signed at night in a car near Central Telegraph—these boys do not publicize themselves and their revenues, and they did not want me to get in direct contact with the firm myself.

A day or so later we drove to Leningrad Prospect, No. 9. There, in the building of the Moscow interregional commercial bank, all negotiations were conducted in room No. 12. We had to go there several times, and I was continually meeting representatives there of many Soviet organizations participating in the transaction.

[Zhagel] Did you meet Colin Gibbins?

[Interviewee] While negotiations with Urals Countryside were underway, no. But two days after the report of the KGB, I had a meeting with him. And this is the way in which it occurred.

One of the intermediaries I know told me that there was a Briton or American who wished to buy rubles. I needed to get out of trouble, because I had already taken a loan from a bank and I needed to pay the interest. We finally set off to meet him.

The meeting took place at the Volga hotel, where Gibbins was living full-time. There I learned that he was representing Dove Trading. Incidentally, from his business card, as well as our conversation, I learned that Dove Trading is his subsidiary firm. Presently he is in Moscow representing a brokerage firm from Swaziland.

And it seems Gibbins himself lives in Johannesburg and has dual citizenship—the Republic of South Africa and the United Kingdom.

[Zhagel] Why has he continued to conduct his business in Moscow after all that has happened?

[Interviewee] He said that he has been slandered and that he is suing all the organizations that have treated him that way. But most likely he is trying to save even a portion of the contract that he thought up with Urals Countryside. After all, he apparently also has obligations to some foreign firms.

[Zhagel] Who was backing him in general? Which banks were able to guarantee the transaction?

[Interviewee] We asked about that. But he answered that we should not worry about that. He would manage everything in the best manner. On the other hand, Gibbins demanded guarantees from official organs from us. Naturally, under such conditions we preferred to withdraw.

[Zhagel] That is a strange story. And the person involved is strange. It has been proposed that in general Gibbins was, as they say, "our man," and that this whole operation was organized by the KGB in order to compromise some people occupying official posts.

[Interviewee] To be honest the same thought occurred to me, but I abandoned it after meeting Gibbins. If everything had been organized, he would have been put up better in the hotel in the first place. And they would have selected a more imposing man.

I have worked a lot with foreign firms and I can say with conviction that Gibbins cannot represent a solid corporation—he is low-level businessman. In his meetings with us he was casually dressed and his hotel room was dirty. And his manner of speaking was sometimes simply shocking.

[Zhagel] Why did all doors open before him?

[Interviewee] Most likely an absence of experience in working with foreign firms played a part. After all, no one even verified the account of Dove Trading's resources. And of course many people wished to get their own piece of the pie.

[Zhagel] You mentioned "a piece of the pie." I understand that the Soviet participants were to be paid their commissions in rubles. But might not other, so to say, variants also occur in this case?

[Interviewee] Undoubtedly. For example, after the rubles are exchanged for dollars, an account is opened in a Western bank for payment of those who purchase many goods. I am presently concluding a contract with another firm for the delivery of certain output. However a so-called "appendix" is attached to the contract that says that prices, volumes, and other conditions indicated in supplement No 1 may be reexamined in the course of 15-20 days. It is understood that they are reexamined immediately. Fewer goods are delivered, and a portion of the total goods from the supplying firm is simply transferred to my account. Sometimes the employees of the foreign firm also benefit, but most often such a "favor" for the Soviet partners is offered so that they will again order goods through the same channels.

[Zhagel] Do you believe that the "contract of the century" is through?

[Interviewee] You know, it encompassed so many people and organizations that it is hardly possible to halt it all at once. I have already stumbled across some remnants of the transaction. People are wandering about Moscow offering to sell large sums in rubles. And that is understandable: They need to pay off debts and return loans.

Foreign Parallels Reported

*91UF0456A Moscow PRAVDA in Russian
9 Feb 91 Second Edition p 6*

[Excerpts of interviews by PRAVDA correspondents with foreign officials: "Politics or Business? (In connection with the notorious deal)"]

[Text] **The USSR Procuracy is studying the deal between the Chelyabinsk branch of the Echo production and ecological firm and the British company Dove Trading International. In the course of the deal R140 billion were sold for $7,756 million. The Procuracy started criminal proceedings in the case.**

Our family got curious about the letter found on Paul Pearson, citizen of Great Britain, during a customs search. The letter proclaimed support and cooperation to the given contract and it was signed by G.I. Filshin, deputy chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers. Our questions are: What kind of punishment, even if only a moral one, would a deputy prime minister of a foreign government be subjected to for similar actions? Are their political figures who are in power allowed to do business?

[Signed] *From the letter of V. Abramov, Yerevan City[end italics]*

We asked our own correspondents in London, Brussels, and Washington to help us answer those questions.

London

I discussed the Dove Trading International episode with lawyers and officials of Great Britain's government agencies. As was expected they restrained from making any comments. They do not know much about this. Only a couple of newspapers mentioned that a British subject was detained in the Sheremetyevo airport.

As for the more general question concerning the British practice of high government officials' involvement with private business, the answers in that respect were sufficiently clear.

"Every person appointed to a government position," I was told by an employee on the staff of the Cabinet of Ministers who did not want to be named, "takes the oath of office. I am not allowed to describe its contents in detail. But I know that it contains this person's refusal to participate in any private business if he previously had been connected with it in any way. A minister, let us say, or a deputy minister who was on the board of directors of some company would resign from this position and freeze all of his contacts with this company. Government ethics and government procedures require that the high official does not engage in an activity that may cast a shadow on his service to the public interests. In other words, there should be no room for what is usually called a 'conflict of interest.'"

"What if such a conflict transpires anyway; what does the government official have to expect?"

"He would simply leave his post, his reputation tainted."

"Can one or another minister advertise or promote goods produced by a British or by a foreign company?"

"That is possible. The only thing is that the minister cannot promote anything produced by the specific company where he previously worked. In that case there is a 'conflict of interest.'"

"Can he write an endorsement letter for a company?"

"I do not know anything about such practice."

In the Department of Trade and Industry I was also told that nobody there knows of any occasion when an employee or a leader of the agency wrote endorsement letters for any company. It is a different matter when an official trade delegation goes abroad. Then the department would extend its support and cooperation. However, this support is given to all the participants of the delegation and not to anyone in particular. No letters are given in that case, of course.

Brussels

In Belgium they treat laws with particular respect. For that reason the minister of justice has the rank of a deputy prime minister. Our correspondent in Brussels met with his press service manager J. Raskin.

In Belgium, I was told by J. Raskin, members of the government or of the legislature get involved in doubtful or even illegal business operations. At some time in the past, there was the notorious case that involved the well known politician Van den Boeynants. He was mixed up in a fraudulent resale of military materials.

I want to mention here that a politician who values his reputation usually displays extreme restraint in his dealings with the business world, if he has to have such dealings, because of his position. The same rule is true when applied to his private activity, outside of the political arena. The law, for instance, does not prohibit a legislator or a minister from concurrent involvement in a private enterprise. But in practice everybody tries to avoid it, even in the area of free professions.

Let us, however, return to the situation of accusations being advanced against the political leader. The moral factor here is the public opinion concern. The legal bodies are guided by laws in such a case. The determining role here is played by the results of the shady deal investigation, which lead to criminal proceedings. Sometimes the initial suspicions completely evaporate after the investigation. But if heavy proof is found that the deal involving, say, a minister is illegal the investigators would immediately route his file to the parliament and request that he be stripped of his legislative immunity. (In Belgium, government members usually serve also as legislators).

As you can see, the law is merciless towards any violator, whatever his position. But I want to reiterate that it includes a mandatory condition: There has to be tangible proof of the violation.

Washington

Before I answer whether anything similar to the relations of the Chelyabinsk firm Ekho with the English company Dove Trading International is possible in America I have to make a reservation. Nothing of the kind did or can happen here, even in theory.

Now I would like to acquaint our readers with comments made by Michael Gilbert, a Washington lawyer, who now works for the power bodies of the capital.

"Suppose someone is crazy enough to try to sell $140 billion for, let us say, 7.7 billion marks, or yens, or pesos, or pounds—would such a deal be considered illegal?"

"Well, there is, of course, a set exchange rate. However, you can do whatever you please. If you happen to find a partner who would agree to your terms then this is entirely up to you two. As far as I know, there are no legal obstacles for such an event and the government has nothing to do with deals in any case."

"Suppose that in the course of a shady deal they find a letter of support written by a senator, for instance, or by a congressman, or by a cabinet member. Would that become an ethical 'conflict of interest?'"

"Yes, in that case there would be a lot of problems. If the person who signed the letter had been officially entrusted to approve deals, then everything would be all right. If not, then the question arises: Can he personally profit from this? The latter would touch upon the ethical side of the matter, as well as on its legality. However, I want to emphasize again that such a situation is highly hypothetical."

British Press Cited

91UF0476A Moscow TRUD in Russian 13 Feb 91 p 2

[Article by TRUD correspondent A. Burmistenko: "The Strange Mr. Gibbins... How Plausible Is the Version Advanced by the Western Press in Connection with the 140 Billion Transaction?"]

[Text] London—The first mention of the "140 billion transaction" has finally appeared in the British press—after the USSR Procuracy reported that Colin Gibbins, "president" of the English firm Dove Trading International, was being investigated by Interpol, at the request of a national investigation organization of Great Britain, "for customs and excise tax violations of the law in excess of 300,000 pounds sterling." This transgression of the law, according to an admission from Gibbins himself, threatens him with 10 years of prison in England and life imprisonment in the United States.

The Sunday newspaper, THE SUNDAY TELEGRAPH, reports some rather interesting details in yesterday's issue about a mysterious "president" of a firm that does not exist. Colin Gibbins is 49 years old, he was born in the small English village of Rugby, which is located approximately 30 kilometers west of Coventry. (After receiving this data, I immediately tried to find out his telephone number through the British national information service with the hope of talking to one of his relatives. However, the telephone operator, after finishing with the computer, there and then informed me that there is no telephone subscriber by that name.)

An unemployed electrician in the past, several years ago Colin Gibbins decided to engage in business; moreover, if one is to believe THE SUNDAY TELEGRAPH, a business with a very delicate feature. The report of the USSR Procuracy words it in an evasive way as "customs and excise-tax transgressions." THE SUNDAY TELEGRAPH, without beating around the bush, calls it smuggling. He tried to export from the West and deliver to the Soviet Union the world's most advanced high-speed motion picture camera "IMAK-790" and an industrial video system.

The "IMAK-790" can take pictures with a speed of up to 10 million frames per second, which makes it possible, for example, to study slow motion images of the epicenter of a nuclear explosion or the action of a missile penetrating the armor of a tank. According to data in THE SUNDAY TELEGRAPH, this camera "heads a list" of highly technical commodities that are banned from export to Eastern Europe, the USSR, and China by COCOM [Coordinating Committee of East-West Trade Policy], which coordinates the exports of Western countries. The newspaper writes that the attempts to deliver the "IMAK-790" camera, which costs up to a half million pounds sterling on the Western "black market," and other highly technical equipment, to the Soviet Union were allegedly undertaken with the knowledge and tasking of the KGB. Colin Gibbins was arrested by British authorities, and during the investigation he was not detained, but was on bail. Forfeiting this bail, he fled from the country about a year ago.

If one is to believe THE SUNDAY TELEGRAPH, Gibbins has a "luxurious apartment" in the Soviet Union, and another one in South Africa. The newspaper makes the suggestion that Gibbins aroused the hatred..."of former friends" from the KGB with his role in the transaction worth 140 million rubles. As a result, the "former friends," it is said, got in contact through Interpol with British customs authorities, in order to find out whether they are still investigating Gibbins to bring him to trial.

"The abrupt change in the KGB attitude toward Gibbins can possibly be explained by the fact that many of the documents relating to the "140 billion affair" carry the signature of Gennadiy Filshin, deputy chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers and a supporter of Boris Yeltsin," writes THE SUNDAY TELEGRAPH.

Many questions crop up in connection with this intricately convoluted detective plot which is quite worthy of the pen of John le Carre. It would be good, obviously, if the USSR KGB Center for Public Relations and other interested organizations expressed their attitude toward the article carried in THE SUNDAY TELEGRAPH, in particular concerning the luckless Mr. Gibbins, whose fortune changed so dramatically in recent weeks.

Banker Cited on Deal

PM1502162991 Moscow PRAVDA in Russian
14 Feb 91 Second Edition p 5

["Interview for PRAVDA" with Yu.V. Ponomarev, general director of the Soviet-French "Eurobank," by correspondent V. Bolshakov in Paris, date not given: "Concerning the 'Deal of the Century'"]

[Text] The "deal of the century," as journalists called the sensational agreement about the sale of dollars for rubles [R] at speculative prices, has provoked lively comment in the Paris press. The comment is mixed. The authors of some commentaries consider that the Soviet Union acted correctly in deciding to put an end to this transaction and preventing the country's economic might from being undermined. Others have used this case as a pretext for accusing the Soviet leadership of "launching an offensive against the private sector." Complaining that private capital does not have a free hand in the USSR, certain newspapers, for example, LE FIGARO, advocate cutting business links with our country and transferring them into the channel of "encouraging economic liberalism," that is, private traders, and restoring capitalism in the USSR.

This reaction to the strengthening of controls in the USSR over the economic activity of Soviet and foreign businessmen suggests that it is not petty swindlers who were interested in pulling off the "deal of the century," but highly influential circles.

I asked Yu.V. Ponomarev, general director of the Soviet-French "Eurobank," to tell PRAVDA readers what might be behind this shady deal.

[Ponomarev] The "deal of the century" is attracting great attention in France both because of the fantastic sums of money involved and because one of the leaders of the RSFSR [Russian Soviet Federated Socialist Republic] Government features in the affair—at least in newspaper reports. This interest is perfectly explicable. The West is now actively seeking opportunities to buy real assets and real estate in the Soviet Union on what are for it favorable terms.

[Bolshakov] How is this being done?

[Ponomarev] At the first stage Western firms buy rubles, and at the second stage they use these rubles to buy things that have real value not just in Soviet rubles but in any hard currency. No one in the West needs the rubles themselves, since they are not in circulation here, although an illegal market for transactions of this type does exist. On the other hand, R140 billion cannot be spent on small purchases in the Soviet Union either. Obviously it could only have been a matter of acquiring property on a large scale and the right to exploit our natural resources.

[Bolshakov] But how could the Russian Government have become involved in such a deal? After all, people there know that this is prohibited by Soviet laws.

[Ponomarev] Unfortunately, our currency legislation has not been worked out, and all kinds of operators can take advantage of this in order to obtain rubles cheaply and use them to buy assets for which large dollar sums would have to be paid if they were sold directly for hard currency. This is exactly where the commercial essence of the deal lies—in saving on the hard currency which Western businessmen have to move into the Soviet Union to buy an enterprise, for instance, or to buy up a proportion of the shares in it, or other assets. It is cheaper for them this way.

[Bolshakov] At the moment, while there is still no law about this, what are the mechanics for the purchase of real estate?

[Ponomarev] I do not want to give a formula to swindlers. I will only say that they already know that a suitcase full of rubles has never made anyone the owner of private property. For this you need official papers from local authorities giving permission for various actions, for example, permission for land tenure.

[Bolshakov] Was such a document obtained in this case?

[Ponomarev] I have not seen any documents. The press, however, wrote that the Russian Government promised to create favorable conditions for foreign investors.

[Bolshakov] In your view, how could the central authorities regulate relations with foreign investors of capital?

[Ponomarev] We need to impose order in this matter both in the interests of the central authorities and in the interests of the republics and of the whole country's population. In general we need to be very careful about allowing foreign capital into our territory, although this does not mean that we should shy away from foreign investors. For God's sake let them invest their capital, so long as it is in such a way that this is convenient not just for them, but also for us. And for this purpose restrictions on direct foreign investments should be introduced in our country. Incidentally, such a practice exists in many countries in the world. Hungary, for example, now has a very cautious approach to terms for the transfer of its enterprises to foreigners and is trying not to sell them too cheaply or lose control over them. In Switzerland a foreigner cannot buy himself a house or land.

[Bolshakov] But in France there are no such bans, and the country flourishes nonetheless.

[Ponomarev] Indeed, currency restrictions have now been eliminated in France. But they did exist in the postwar years and were abolished only when the French economy became sufficiently competitive.

[Bolshakov] What damage could this deal have done to our country?

[Ponomarev] If it was not a dishonest deal from the beginning but really aimed to provide foreign investors with opportunities to buy real assets in the USSR, then a very significant proportion of commercially valuable would have gone over to foreign ownership. That is what the West is looking for now. They have no need of loss-making plants and mines. In other words, some of our best enterprises that can produce competitive output, our valuable raw materials, and perhaps large areas of land and forest would have passed into the hands of foreign capital—I repeat, judging by the scale of the deal—which would have damaged the national state sector as well as the private sector.

TU Official Shcherbakov on Government Accord

LD0802101691 Moscow TASS International Service in Russian 1742 GMT 7 Feb 91

[By TASS correspondent Vladimir Yegorov]

[Text] Moscow, 7 Feb (TASS)—"An agreement between the Soviet Government and trade unions on socioeconomic problems for 1991 will make it possible to ease the negative effects of the transfer to the market, and will remove to a considerable extent tension in society", Vladimir Shcherbakov, chairman of the USSR General Confederation of the Trade Unions, told a TASS correspondent.

"The adoption of this document", he noted, "is becoming increasingly topical in the light of the continuing accelaration of the destructive tendencies in the economy, the social and the economic spheres. In the conditions of uncontrolled price rises, a total shortage of food and consumer goods, the living standards of the working people and the whole population are falling sharply. In this explosive situation the Council of the General Confederation of Trade Unions sees its most important task in waging a resolute struggle for the vital interests and rights of the working people, and for the guarantees for their social protection that were uniform throughout the country."

The draft agreement drawn up by the trade union center, chairman of the General Confederation of Trade Unions reminded, was handed over to the USSR Council of Ministers in October of last year. "The previous government, however, did not rush to examine the document, although it was running patently late with the adoption of measures for the social protection of Soviet people in conditions of the transfer to the market economy. The draft was sent to the Kremlin again in January, to Prime Minister Valentin Pavlov. Again the Government did not show any desire to hold thorough talks with the trade unions."

Very important issues contained in the draft agreement include the speedy determination at union level of the minimum consumer budget and on its basis the state's minimum wage, pensions, and grants. The official minimum wage of 70 rubles monthly, which was established in 1972, has for a long time now not guaranteed a normal existence for citizens and should be at least doubled.

Among a number of social protection measures special priority is given to a mechanism for compensatory payments in connection with price increases. In this respect the trade unions are demanding the indexation not only of the working people's current incomes but also of their savings in the banks.

Pointing out that the recently adopted basic principles of legislation of the USSR and the republics on the employment of the population contain substantial guarantees relating to the social protection of citizens who find themselves temporarily out of work, Vladimir Shcherbakov stated: "The main thing, however, is not unemployment benefits but the assurance that an individual will be able to realize his constitutional entitlement to work. There is an extreme need for a statewide program that would ensure development of a jobs system, rational deployment of productive forces, organization of the training and retraining of cadres, and other specific measures. Indeed, the trade unions are insisting on the immediate elaboration and adoption of such a program."

The forthcoming privatization of housing will confront many Soviet citizens with complex problems. Selective research data shows that about 70 percent of those needing an improvement in their housing conditions do not have the funds for the acquisition and construction of their own house and apartment. Soviet trade unions are in favor of those in need being provided with free guaranteed minimun housing.

Special sections in the draft agreement are devoted to the protection of labor, ecology, health care, and other problems affecting the interests in effect of every Soviet individual. "I hope," Vladimir Shcherbakov stated, "that the USSR Cabinet of Ministers will show an understanding of the importance of constructive dialogue with the trade unions and will in the very near future sit down with them at the negotiating table."

Meat Shortages Blamed on Pricing

914D0130A Moscow IZVESTIYA in Russian
23 Jan 91 Union Edition p 3

[Article by A. Protsenko: "Binomial Theorem of Meat"]

[Text] **It is a paradox: You cannot buy meat in Moscow but there is more than enough meat in Moscow. To make sure of the former you can look in stores: Store shelves are empty, as a rule, and wherever there is anything "available" there are long lines. To make sure of the latter statement, I went to Moscow meat storage facility No 12, one of the biggest in the city.**

"We have sufficient meat for about two weeks," said the manager, Teymuraz Burdzenidze. "We have about 3,000 tons of it. We release from 200 to 250 tons a day and we receive about the same amount from the suppliers. Our 3,000 tons make up a kind of transitional stock. Is it much or is it little? It is normal. It was the same a year ago, three years ago, five years ago... In those days meat stayed on the store shelves, now they grab it right away. This is not normal."

I spoke to the manager of a large store, "Dieta," located nearby.

"We are getting just as much meat as before," confirms V. Sotnikova. "But now it gets sold in a minute; a year ago it took us a week to sell a ton of beef, now we sell it in a day if we can manage to cut it that fast. People keep stocking up on it..."

So, there are reserves at the meat storage facility, but obstinate residents are trying to transfer them to their home refrigerators. It seems that the problem is not hard to resolve: let Burdzenidze issue half of his stockpiles to the stores, the Muscovites will stock up on them (their refrigerators are not bottomless, after all) and there will be meat on the store shelves again and no lines in the stores.

"No, we cannot do it," say the meat storage facility manager, the store manager, those in charge of sales in the capital, and the Moscow City Soviet leaders, "they will grab it all and take it out of the city. Moscow pays 10 rubles [R] or more per kilo of meat and sells it at R2. The difference, naturally, comes out of the pockets of Muscovites themselves. Why should they 'give' it to someone else?"

Leningrad has the same problem. The oblast sells meat to the city at R11.8, the Baltics—at R14. The sale price is one-seventh of that. Practically every Leningrader makes up the difference out of his pocket.

Maybe, this is justified from the social point of view? It is not important, say, how a person works and how much he makes. Everybody has equal rights to make purchases. But why are there so many complaints from those who need this social justice or aid the most—retirees and the disabled? They complain that they cannot buy meat. In the stores it is grabbed by those who are faster, in the markets it is not affordable. These are complaints from retirees of the capital, from the disabled of the capital; those from the provinces we would not even mention. Is this justice?

This problem is not new and the solution is well known: Prices should be set according to the demand. Naturally, we first have to think of a protective mechanism for those who cannot provide for themselves, for those who have the right for aid from the community. But...

Last year one respectable Union organization conducted a sociological study and learned, among other things: The people in our country do not want a price increase. As Bulgakov's Korovyov, a.k.a. "Fagot," would put it, "There is a binomial theorem for you," it was not all that hard to guess even without the research. But this very "binomial theorem" can be interpreted in a number of ways.

They say that the "Lithuanian events" of January were caused by a sharp food price increase announced by the government of Kazimiera Prunskiene.

People of most diverse political views went to the parliament building in Lithuania in early January to protest against the new prices. Eleven industrial enterprises are on strike now in Estonia and that means tens of thousands of people.

It is true that meat and milk prices, if doubled or even quadrupled, may become a most serious argument in the debate of opposing political forces. It is easier for the opposition to score in this game: Here are your "democrats," here is the future they have in store for the working people, unlike us...

But let us digress from politics and return to economy. Can it be that all these "saviors" are worried about the people and not about themselves? Maybe, they are trying to protect the working people from becoming poorer. First results of their activity are evident: The price increase in Lithuania was canceled; it was suspended in Estonia and Latvia.

Let us heed the opinion of experts, however. Here are some thoughts on the "Estonian version" of price reforms expressed by a person who is not linked to the government of E. Savisaar in any way. V. Senchagov, USSR State Committee on Prices [Goskomtsen] chairman, says: "Huge subsidies for meat and dairy products and products that are in high demand are lethal for such a small republic; it cannot cope with them. The republic aims to increase agricultural production and to achieve this you have to pay more for labor. That is why purchasing prices are rising and that causes changes in retail pricing..."

In other words, food price growth in Estonia is an inevitable process, according to the Goskomtsen chairman. You are not convinced? Let us hear the opinion of our new Prime Minister V. Pavlov. At his first meeting with journalists we discovered that he does not consider the Baltic price reforms criminal either; he only thinks that they are conducted in a clumsy way. The republics made two mistakes: "They should have made up for the difference in prices in advance, rather than compensate for it... Neither is a mechanical approach possible when you have to set the price level..."

From this statement it follows that Pavlov himself is going to introduce price reform. We really cannot have it any other way when all of our economy at present is based on redistribution of revenues from those who work well and those who work poorly. And nobody really knows how different people actually work—when one-fifth of our gross national product goes in subsidies to industries working at a loss, when artificially low prices on foods and goods only serve to maintain the frenzied demand and encourage hoarding, whatever comes handy, in closets and trunks. According to the data provided by the Science and Research Institute for Market Conditions and Demand under the USSR Ministry of Trade, our people have already accumulated some R40 billion worth of goods bought "just in case." You can understand who has accumulated more than others.

But now let us ask a question in all seriousness: Will the new prime minister be allowed to introduce a reform?

In this respect, by the way, I want to quote one fact, just for pondering. As you know, on the eve of the new year, they increased five-fold the prices for gourmet fish, caviar, and crab meat. The way the increase was done, the way the money from the increase was spent—all this is a subject for a different conversation. But the very fact of raising prices caused the most indignation among the sales people and their permanent clientele. The reason being the fact that both groups had had access to the extra cheap products. So they used to eat those foods not because they earned them, but because they could get them.

Will we ever understand that it is not the benefits, not a good or a better distribution system, but strict conformity to the laws of economy that can give us a guarantee of true social justice?

Currency Decree Seen as Blow Against 'Mafia'

PM0402142791 Moscow PRAVDA in Russian
26 Jan 91 Second Edition p 2

[Interview with A. Gurov, chief of the USSR Internal Affairs Ministry Main Administration for Combating Organized Crime, by correspondent G. Ovcharenko in Moscow on 25 January, under the rubric "Topical Subject"; first paragraph is an introduction: "A Blow to the Mafia"]

[Text] On Thursday evening Aleksandr Ivanovich Gurov, chief of the USSR Internal Affairs Ministry Main Administration for Combating Organized Crime, spoke on Central Television. His interview aroused great interest. The editorial office has received numerous telephone calls since yesterday morning from people asking for A. Gurov to be given space in our newspaper: Some missed the television program, while others are seeking various explanations connected with the results of the action to exchange bank notes in the fight against organized crime. Our correspondent had a meeting with A. Gurov yesterday.

[Ovcharenko] Aleksandr Ivanovich, many readers and mass media believe that the USSR presidential decree has had very little impact on the interests of big shots in the shadow economy and organized crime. Is this indeed the case?

[Gurov] I am sure that this is far from being the case. I am not alone in this belief: The overwhelming majority of people in all law enforcement bodies perceive this decree as a timely action designed primarily to undermine the economic foundations of organized crime. The decree is a serious blow to the mafia. For the majority of them—and this is confirmed by up-to-the-minute data—this blow has come as a complete surprise.

[Ovcharenko] That is precisely the point many publications and readers doubt. In their opinion, shady business leaders "had the sense" to dispose of their cash in good time.

[Gurov] I too am far from thinking that the decree has completely cut the ground from under the feet of organized crime in material respects. Some of the big shots have had time to "dispose of" unearned income in cooperatives, invest it in valuables and foreign currency, transfer it to foreign banks, and so forth. But the mafia simply cannot exist without large sums of cash. It even specially buys up 50- and 100-ruble [R] notes to make payment easier in illegal deals. And, believe me, these "businessmen" do not settle their debts like you and I, counting every ruble. The mafia thinks in terms of centimeters: It knows exactly how many thousands of rubles there are in a five-centimeter wad of R100 notes, for example. I hope these wads of notes have now been neutralized.

Furthermore, every member of the mafia and every big-time thief, pickpocket, black marketeer, and so forth carries around so-called ready cash. This can be anything from between R5,000 and R10,000 and is used to cover "every eventuality": To buy people off, to invite "useful" people to restaurants, and to play cards. The presidential decree has taken them by surprise as well.

A blow has also been dealt to criminals who have been convicted but have nevertheless managed to conceal large sums of money from us. And these really are large sums of money: Only one-third of all stolen and embezzled money is returned to the state. Just think of the cases associated with the cotton affair in Uzbekistan, for example....

[Ovcharenko] Yes, I have been there and seen hundreds of thousands—even millions—of rubles seized from hiding places.

[Gurov] There are several million rubles literally buried in the ground. Now they are wasted. But the main blow, I believe, has been dealt to the foreign network of organized crime. Experts estimate that at least R12 billion—in large denominations—have accumulated abroad.

Hard Currency Rules Curb Traffic Into Poland

PM1801102191 Moscow PRAVDA in Russian
15 Jan 91 First Edition p 6

[O. Ravich report under the "Follow-Up" rubric: "No Lines at the Western Border. Hard Currency Neeeded to Leave the Country by Road"]

[Text] Minsk—It seems that the lesson of the Ministry of Railways, which tried to start charging hard currency for international tickets, has been wasted. Yet another powerful department—and all of us, its clients, with it—has fallen into the hard currency "trap" on the way to establishing new economic relations with East European countries.

For months now, the "Warsaw Bridge" border checkpoint outside Brest has been a site of real ordeals for hundreds of thousands of people traveling by road. Lines stretching several kilometers, days spent "living" in buses like soldiers camped out in the fields—these are the problems of the mass exit, increasing with every passing day. But now there is only peace and calm here. The only thing that has not changed is the measured flow of vehicles from the Polish side of the border.

So, what has happened in the first few days of the new year on our western borders? We must immediately point out that nothing unforeseen has happened. Foreign Insurance Administration services switched to a new procedure of levying insurance premiums as of 1 January. Henceforth, those wishing to travel to East European countries will have to pay $50 to insure a passenger vehicle and $240 to insure a tourist bus. The minimum insurance period is 15 days. The decision itself is perfectly understandable and fits in with current changes. But the question arises: Where are ordinary citizens, whom the state has given a legal right to travel abroad for a short period of time, going to get hard currency from? Why should the new laws not provide for the possibility of buying hard currency in such cases? But the most regrettable, distressing aspect of all this is that neither Union nor republic bodies of our esteemed insurance department thought of conveying this extremely important piece of information to our country's millions of citizens and tourist organizations beforehand.

You can imagine the desperate, upsetting, even demeaning situation thousands of people found themselves on the western border in the first few days of January. Surely the vital rights and interests of ordinary people and the all-powerful state have not come into sharp, inevitable conflict again? Perhaps the law really is hard on every individual citizen? But is it reasonable and correct as far as our country's highest financial interests are concerned? Judge for yourselves. One hundred meters away from our own customs, there stands the Polish customs, where any Soviet citizen passing through has the right to buy insurance. Naturally, the drivers of the 30-40 vehicles crossing the "Warsaw Bridge" border checkpoint each day buy their insurance there. They are mainly people from joint enterprises and cooperatives or people on official business. The fact is that Polish insurance is half the price! Moreover, the minimum insurance period is three, five, or 10 days—rather than 15 days as in our country. So how are our state's hard currency reserves supposed to benefit? We would be interested to know what kind of financial experts conceived and calculated this insurance draft. Aside from the economic miscalculation, there is another aspect of considerable importance for all of us.

"Who is now crossing the border and calmly buying insurance with hard currency at the Polish customs office?" V. Pisaruk, who works for the Foreign Insurance Administration, asked. He proceeded to answer his own question: "Black marketeers (who shuttle back and forth across the border) and international profiteers with their girlfriends. They have now been given the 'green light.' But you should see the children from children's homes and regions of Belorussia affected by Chernobyl when their buses are turned back at the border. These children are expected in Poland for medical treatment and rest. Who is going to pay the hard currency for them?"

Article Calls Shatalin 'Lumpen Academician'

PM0402143391 Moscow SOVETSKAYA ROSSIYA in Russian 30 Jan 91 First Edition p 2

[Article by Mikhail Popov, graduate of Leningrad State University Faculty of Mathematics and Mechanics, candidate of economic sciences, and doctor of philosophical sciences: "And For You Having Once Sided With Them... Some Advice for the Nervous Lumpen Academician"]

[Text] Leningrad—How very refined Academician S. Shatalin's manners are. Having affectedly informed the public that he does not like writing letters, he nevertheless dashed off two gigantic screeds in a few days and distributed them in a print run of about 40 million. That is, he sent a letter to at least one in seven inhabitants of our country!

When you read these importunate revelations, you can almost physically feel the terror of this troubled timeserver who all his life has passed himself off as now an original scholar, now a misunderstood soccer player, now a radical member of various soviets. Indeed, all his deeds and proclamations somehow reek of semi-educatedness, half-truths, and incomplete action. But on the other hand what aplomb and lecturing, and what a pose! Hercules is ready to perform new exploits and miracles, but the trouble is that the people (from manual workers to ministers) are so unreasonable, fools that they are, they cannot see how to achieve happiness and do not wish to implement radical programs... But maybe, respected creator of programs, the working people are fed up with pipedreams and guess that after the "500 Days" they will have to count off another nine, or 40...

In his piteous and heartrending letters S. Shatalin throws light on his personal life, full of privations, cares, and troubles. But, nevertheless, he omits much, clearly out of modesty. Several additions will have to made to the confessions of the "former member of the former Presidential Council."

S. Shatalin dumbfounds the country's president and millions of readers by admitting that he played and was raised at the knee of Shkiryatov and Malenkov and knew just about all the famous notables of the twilight of the Stalin era. And his father was from the higher echelons of the party nomenklatura, and his uncle from even higher up... Only for some reason he makes no mention of the fruits he tasted as the spoiled child of the great helmsman's viziers or of how he used such powerful contacts. Or did favoritism not exist in those days at all? Or did people not notice the youthful talents of close relatives and good friends? Certainly not—judging by the academician's meteoric career, he took full advantage of all these privileges.

After graduating from Moscow State University, S. Shatalin, in the grip of fashionable trends, went to the Leningrad State University Economics Faculty, where for two years he attempted to master the basics of mathematics. Incidentally, the basic knowledge of a second-year student was enough to gain him the reputation of an expert in mathematics among people with no knowledge of the subject. He wrote a doctoral thesis and he preached a mythical constructive political economy based, like mathematics, on premises. And although later everyone admitted that this idea was absurd for sciences relating to changing reality, he was awarded his doctorate. He also landed the position of deputy director of the Central Economic Mathematics Institute, headed by the influential Academician N.P. Fedorenko. And it would be a sin to miss the opportunity of winning the splendid epaulets of a corresponding member of the

USSR Academy of Sciences when you have reached the leadership of a privileged institute.

S. Shatalin was now in the company of those Central Economic Mathematics Institute people who did not know mathematics but were considered to be economists and those who did not know economics but were considered to be mathematicians. With great fuss and clamor he began to create his next revolutionary innovation—SOFE. This abbreviation pretentiously expands as the System for Optimal Functioning of the Economy. Few now remember this scientific panacea. The theory's team of elaborators, headed by Aron Katselenboygen, having clearly become disillusioned with it earlier than Shatalin, long ago departed the country and set themselves up comfortably in Israel and the United States.

Our hero wasted a sea of ink popularizing his beloved SOFE, where, on the pretext of the function of utility, all indications of marketability are rejected and all needs are controlled and satisfied by the center. As we can see, this was only to turn completely to the market later and become a obedient channel for the economic programs of the International Monetary Fund.

As deputy director of the Central Economic Mathematics Institute, S. Shatalin was party to the creation behind closed doors of the comprehensive program for scientific and technical progress and its socioeconomic consequences, paving the way for a price hike and our country's further technological lag behind the developed capitalist states. At the CPSU Central Committee June (1983) plenum, during Yu.V. Andropov's tenure, the Central Economic Mathematics Institute, whose leadership still contained S. Shatalin, was named as one of two institutes that during their whole existence had given no specific recommendations to practical workers. However, this did not prevent S. Shatalin from becoming an academician later on.

In the journal KOMMUNIST Shatalin came out decisively in favor of increasing the prices of basic consumer goods, and when Academician T. Zaslavskaya supported him but the working people did not, he maneuvered and renounced his aims, but in a different publication. Later it transpired that he was still in favor of a price rise, not of a centralized one with compensation, but of a spontaneous one through the roof. So that's what scientific inquiry means... God forbid that S. Shatalin should be an astronomer, for his Earth would spin in a different direction every six months.

And as far as the whole song and dance over "dashes toward the market" and all the programs for radical reforms calculated down to the day and the hour is concerned, this took place in full public view, and I think each of us is capable of grasping what our innovative academician was fighting for. Future historians will easily determine what S. Shatalin has taken from science, but will have to search hard for what he has contributed.

From his last two letters in the youth newspaper it can be seen that S. Shatalin is now specializing as an oracle. He has always liked to preach and prophesy. In the scientific field he was unable to do this with success—life followed its own logic. Now he has turned to geopolitics. He preaches to the president and would like to preach to the people. And with arrogant self-admiration he boldly calls himself a leftist and a centrist. But he twists and turns, and juggles with concepts out of force of habit. He is no leftist. In fact S. Shatalin is a singer of the dyed-in-the-wool extreme right wing of the petit bourgeois stratum and most likely of the renascent class of small tradesmen, storekeepers, shady dealers, comprador functionaries, and sundry privatizers.

In conclusion I want to offer some advice to the lumpen Academician S. Shatalin.

My first piece of advice. You can tell from the tone of Shatalin's letters how respectfully he pronounces the name of B.N. Yeltsin. It is easy to guess that he is trying to get in with the new boss. Hurry, Academician, take your chance! Not all the high posts have been taken among the democratic dictators.

However, before that, I ask him to carry out my second piece of advice: Before telling the president whither and whence he should go, Esteemed Sir, for once in your life do something honorable: Quit the CPSU Central Committee, which you obviously joined through protectionist connections. After all, V.A. Tyulkin challenged your nomination to USSR Central Committee membership at the 28th CPSU Congress, suggesting that like an honest man you plump for the social democrats or Travkin's crew. You did not heed the party activist's words; a social democrat has forced his way into the leading organ of our party and is now spitting on it. Leave in peace the party with which you planned to "change the entire sociopolitical system" and carry out your perestroy—no, change of the system. It won't work, Esteemed Social Democrat. And you don't need to be nervous. You cannot change the system on the quiet, by agreement. This is beyond you. Leave in peace the party that you have sucked as much as you can. Team up with somebody else. It is not difficult for you to act on this piece of advice if you are still guided by the principle expressed in the sacred words you remember from your youth: "And having once joined them..."

And finally I will make so bold as to give yet one more piece of advice. Please return to the people the state prize for elaborating the system of plan balances. Get your ill-gotten gains off your conscience, and at the same time out of your pocket. Otherwise it will only remain for us to pity you greatly.